



InNature

BUSINESS AS A FORCE FOR GOOD



3Q2023 RESULTS

23RD NOVEMBER 2023



Certified



Corporation

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

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YEAR TO DATE PERFORMANCE AT A GLANCE

RM98.2m

Revenue

↓ 9.6% reported
↓ 11.9% same store

68.5%

GP margin

9M2022: 66.0%

RM141.8m

Net assets

as at 30.9.2023

Net Cash

Net gearing ratio

as at 30.9.2023

RM7.7m

Core operating profit

7.9% of revenue

RM6.4m

Core PAT

6.5% of revenue

RM12.7m

Net operating cashflow

RM14.1m

Dividend paid in

9M2023

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

**3Q2023 FINANCIAL
PERFORMANCE**

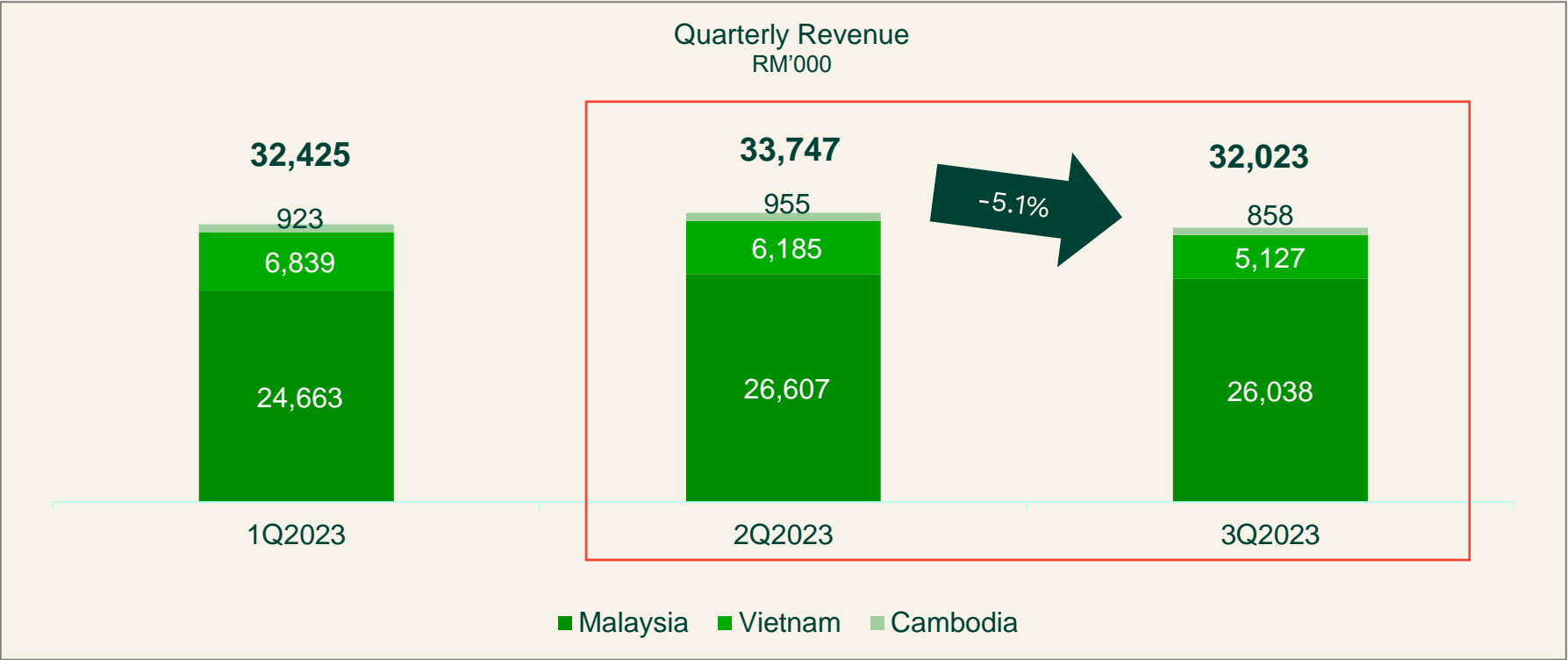
3Q2023 TOPLINE

Revenue	3Q2023 RM'000	YoY change same store	YoY change constant currency	YoY change reported
Malaysia	26,038	-5.8%	-5.4%	-5.4%
Vietnam	5,127	-28.2%	-21.4%	-25.2%
Cambodia	858	-21.8%	-3.9%	-5.4%
Group Total	32,023	-10.5%	-8.4%	-9.2%

- Consumer sentiment weighed down by cost-of-living issues
- Vietnam and Cambodia experiencing macro economic challenges

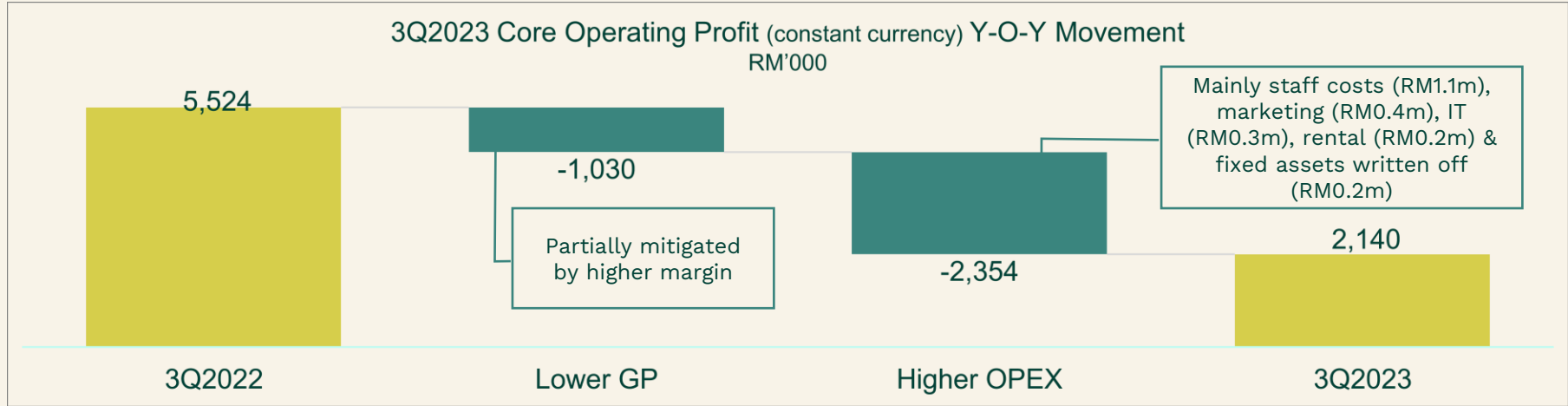
Note: Same-store sales compare revenue generated by existing points-of-sale (including online channels) over a certain period with the same period last year at constant forex.

SEASONALLY QUIETER QUARTER



SOFTER CORE OPERATING PROFIT DUE TO REVENUE DOWNTREND & HIGHER OPEX

3Q2023 Core Operating Profit (constant currency) Y-O-Y Movement
RM'000



Core Operating Results (constant currency)	3Q2023 RM'000	% of Revenue	3Q2022 RM'000	% of Revenue
Gross profit	22,034	68.5%	23,064	66.9%
EBITDA	3,179	9.9%	6,556	19.0%
Operating profit	2,140	6.7%	5,524	16.0%

Note: Core Operating Results are on constant currencies and exclude; (i) Natura results (disposed in FY2022) in prior year, (ii) business development expenses (RM637k) in current year, and (iii) MFRS16 accounting adjustment.

FROM CORE OPERATING PROFIT TO CORE PAT

constant currency	3Q2023 RM'000	% of Revenue	3Q2022 RM'000	% of Revenue	YoY change
Core operating profit	2,140	6.7%	5,524	16.0%	-61.8%
Interest income	436		208		
Forex (loss)/gain	(189)		151		
Others	(14)		150		
Core PBT	2,373	7.4%	6,033	17.5%	-60.6%
Tax	(678)		(1,539)		
Core PAT	1,695	5.3%	4,494	13.0%	-62.3%

Note: Core profits are on constant currency and exclude (i) Natura results (disposed in FY2022) in prior year, (ii) business development expenses (RM637k) in current year, and (iii) MFRS16 accounting adjustments.

OPERATING DELEVERAGE IMPACTED ALL MARKETS

Core PAT (constant currency)	3Q2023 RM'000	% of Revenue	3Q2022 RM'000	% of Revenue
Malaysia	2,609	10.0%	4,506	16.7%
Vietnam	(768)	(14.5)%	(1)	(0.0)%
Cambodia	35	4.1%	124	14.4%
Market Total	1,876	5.8%	4,629	13.4%
Corporate	(181)	(0.5)%	(135)	(0.4)%
Group Total	1,695	5.3%	4,494	13.0%

Note: Core profits are on constant currency and exclude (i) Natura results (disposed in FY2022) in prior year, (ii) business development expenses (RM637k) in current year, and (iii) MFRS16 accounting adjustments.

TWO

**9M2023
FINANCIAL
PERFORMANCE**

YEAR TO DATE TOPLINE

Revenue	9M2023 RM'000	YoY change same store	YoY change constant currency	YoY change reported
Malaysia	77,308	-9.3%	-8.9%	-8.9%
Vietnam	18,151	-21.1%	-14.4%	-13.6%
Cambodia	2,736	-18.6%	-1.5%	+1.6%
Group Total	98,195	-11.9%	-9.8%	-9.6%

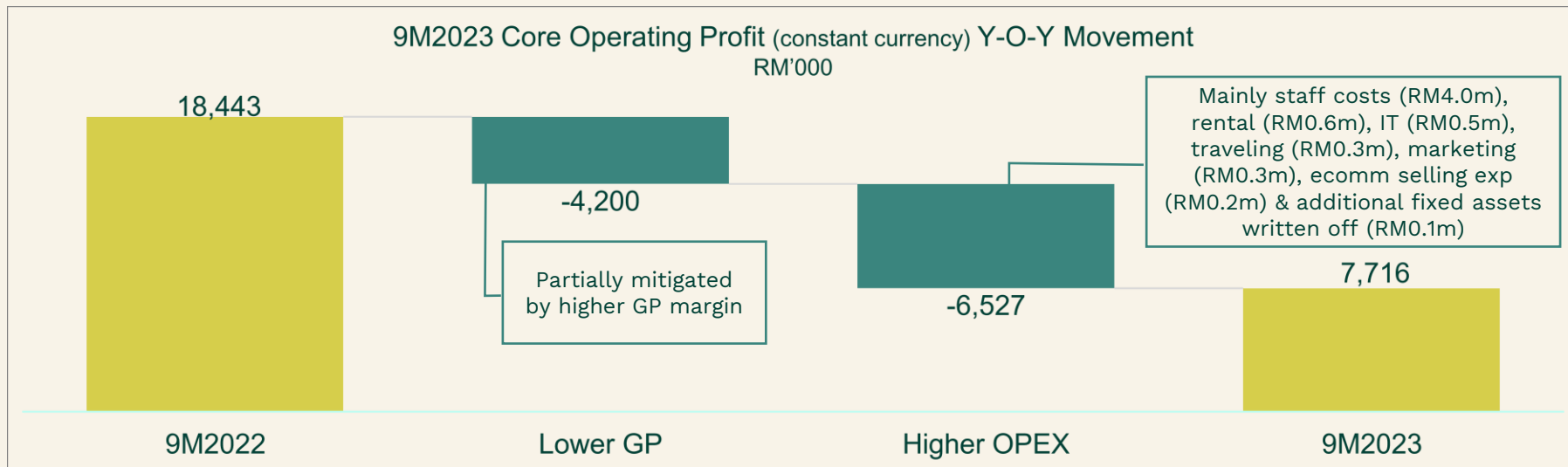
- Subdued consumer sentiment affected by inflationary pressure amid uncertain macro environment.

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.

YEAR TO DATE CORE OPERATING PROFIT

9M2023 Core Operating Profit (constant currency) Y-O-Y Movement

RM'000



Core Operating Results (constant currencies)	9M2023 RM'000	% of Revenue	9M2022 RM'000	% of Revenue
Gross profit	67,269	68.5%	71,469	66.7%
EBITDA	10,918	11.1%	21,698	20.3%
Operating profit	7,716	7.9%	18,443	17.2%

Note: Core Operating Results are on constant currencies and exclude; (i) Natura results (disposed in FY2022) in prior year, (ii) business development expenses (RM872k) in current year, (iii) one-off gains (RM430k) in current year, and (iv) MFRS16 accounting adjustment.

FROM CORE OPERATING PROFIT TO CORE PAT

constant currency	9M2023 RM'000	% of Revenue	9M2022 RM'000	% of Revenue	YoY change
Core operating profit	7,716	7.9%	18,443	17.2%	-58.2%
Interest income	1,491		484		
Forex (loss)/gain	(270)		402		
Others	(6)		172		
Core PBT	8,930	9.1%	19,501	18.2%	-54.2%
Tax	(2,502)		(4,939)		
Core PAT	6,428	6.5%	14,562	13.6%	-55.9%

Note: Core Operating Results are on constant currencies and exclude; (i) Natura results (disposed in FY2022) in prior year, (ii) business development expenses (RM872k) in current year, (iii) one-off gains (RM430k) in current year, and (iv) MFRS16 accounting adjustment.

YEAR TO DATE CORE PAT BY MARKET

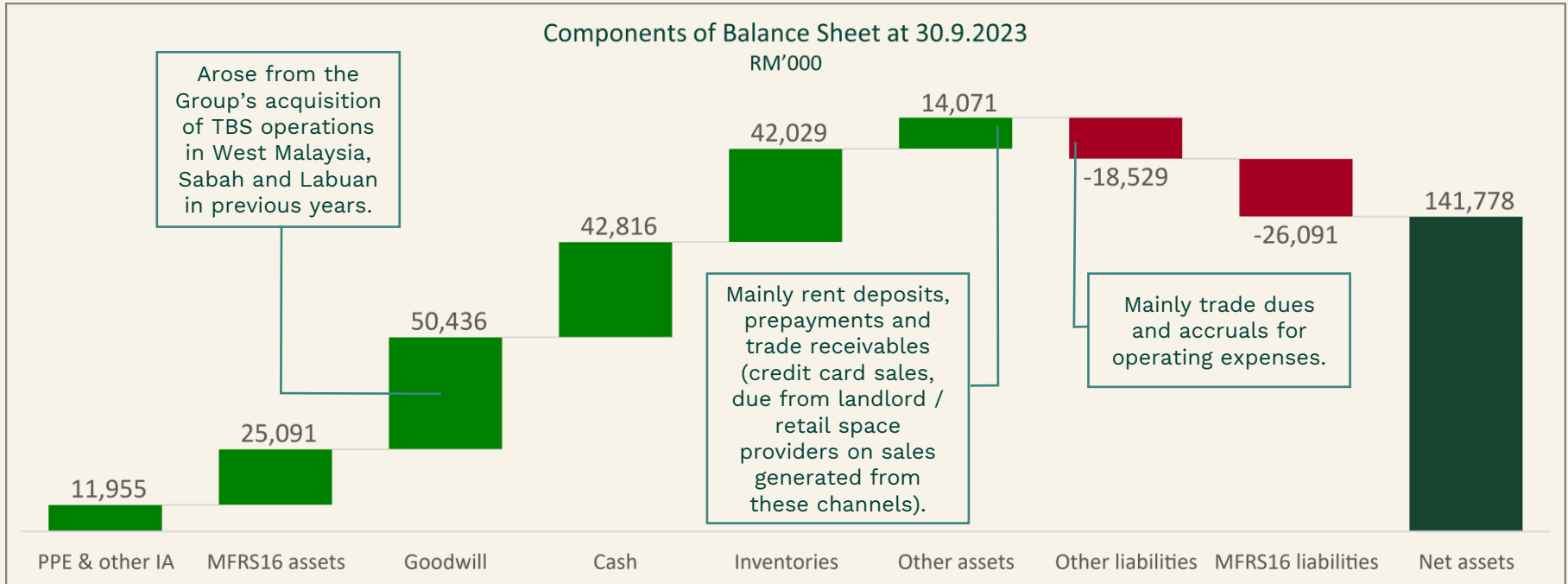
Core PAT (constant currency)	9M2023 RM'000	% of Revenue	9M2022 RM'000	% of Revenue
Malaysia	8,340	11.1%	14,476	17.3%
Vietnam	(1,337)	(7.4)%	254	1.2%
Cambodia	161	5.9%	307	11.4%
Market Total	7,164	7.5%	15,037	14.0%
Corporate	(736)	(1.0)%	(475)	(0.4)%
Group Total	6,428	6.5%	14,562	13.6%

Note: Core Operating Results are on constant currencies and exclude; (i) Natura results (disposed in FY2022) in prior year, (ii) business development expenses (RM872k) in current year, (iii) one-off gains (RM430k) in current year, and (iv) MFRS16 accounting adjustment.

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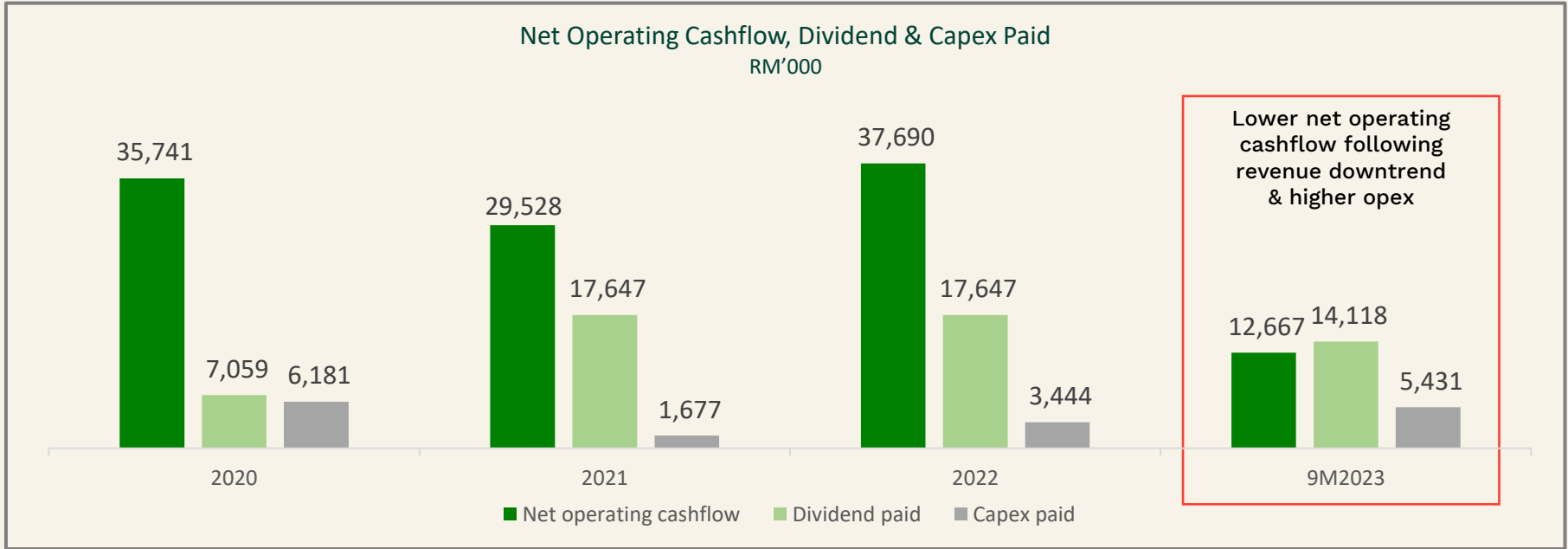
**FINANCIAL
POSITION &
CASHFLOW**

HEALTHY BALANCE SHEET



- Asset light
- Net cash financial position with RM20 million undrawn banking facility.

CASH GENERATIVE BUSINESS



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

FOUR

NEXT STEPS



WE HAVE CONTINUED TO PROGRESS DESPITE CHALLENGING LANDSCAPE

- **Improved GP margin of 68.5%**, enabling flexibility to the Group in devising tactical promotions to stimulate customer spending.
- **Net addition of 1 store in 3Q2023.**
- **Pop-up stores gained traction with +149% YoY growth, 2.6% contribution to Group revenue.**
- **Ecomm acceleration in Vietnam showing positive results with +19% YoY growth.**





4Q2023 PRIORITIES

- Focus on productivity improvement and customer acquisition.
- Continue with ecomm acceleration.
- 1 confirmed store opening in Malaysia.
- Ongoing cost management with close monitoring of underperforming stores.

THANK YOU

CHANGEMAKING BEAUTY



Effective. Ethical. Vegan.

THIS IS TEA TREE

Purifies blemished skin

1 sold
every
22 seconds
around
the world*



* Based on global sales from 01/01/2022-31/12/2022

SUPPLEMENTARY INFORMATION

RETAIL STORE COUNT

	Malaysia	Vietnam	Cambodia	Group
Retail stores at 1.1.2023	73	38	3	114
Opening	2	2	-	4
Conversion from pop-up to full-fledged store	1	-	-	1
Closure	(1)	(3)	-	(4)
Retail stores at 30.9.2023	75	37	3	115
Pop-up stores at 30.9.2023	3	4	-	7
Retail + pop-up stores at 30.9.2023	78	41	3	122

RECONCILIATION FROM CORE TO REPORTED PAT

PAT reconciliation	3Q2023 RM'000	3Q2022 RM'000	9M2023 RM'000	9M2022 RM'000
Core PAT (constant currency)	1,695	4,494	6,428	14,562
Forex effect	12	9	-	3
MFRS 16 effect	(2)	41	(106)	126
Business development expenses	(636)	-	(872)	-
One-off gains	(3)	-	278	-
Service charges income from Natura	-	-	153	-
Natura results	-	19	-	20
Reported PAT	1,066	4,563	5,881	14,711