

## **InNature Registers Strong Rebound in 1Q2021 Profitability, Declares 1.5 Sen Interim Dividend**

**SUBANG JAYA, 20 MAY 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 RM5.1 million on the back of RM38.0 million revenue in the 1<sup>st</sup> Quarter ended 31 March 2021 (“**1Q2021**”). This represents a 85.4% rebound in the Group’s reported PAT despite the ongoing Covid-19 challenges.

### **Performance Review**

Commenting on the performance, Group Managing Director Datin Mina Cheah-Foong (“**Datin Mina**”) said, “In Malaysia, Covid-19 headwinds precipitated MCO 2.0 in January 2021. However, we managed to continue operations in most stores throughout 1Q2021. The lockdown resulted in much reduced footfall throughout all malls which we mitigated by our reach through e-commerce and Click / Call and Collect (“**C&C**”) channels. As a result, our The Body Shop operation in Malaysia recorded a lesser decline in revenue of 3.1%, and has returned to flat same-store sales growth (“**SSSG**”) of -0.6% in 1Q2021.”

“Our Vietnam operation recorded revenue growth of 13.9% and SSSG of 5.6% for the reporting quarter. Generally, Vietnam’s retail environment benefitted from the country’s milder Covid-19 situation in 1Q2021,” she added.

On Cambodia, Datin Mina said, “Our Cambodia operation was impacted by the rising Covid-19 cases during the reporting quarter. Nevertheless, Cambodia continued to register revenue growth of 39.1%, lifted mainly by our second store which was opened in 4Q2020.”

The Group’s PAT was 85.4% higher amid improving operating margin due to continued vigilance on operating expenses, and the absence of listing-related expenses in the current financial period. Geographically, the Group’s The Body Shop businesses in Malaysia, Vietnam and Cambodia were profitable for 1Q2021. The new Natura business in Malaysia recorded higher revenue and a lower initial gestational loss of RM0.6 million for the reporting quarter.

### **Healthy Balance Sheet and Cash Flow**

The Group’s financial position remains healthy with a working capital of RM64.1 million and total equity of RM144.6 million as at 31 March 2021. The Group generated net cash from operating activities of RM13.6 million during the reporting quarter, and maintained a healthy cash balance (including fixed deposits and fixed income funds under Other Investments) of RM56.2 million as at 31 March 2021.

## Dividend

InNature declared a single tier dividend of 1.5 sen per ordinary share comprising (i) second interim dividend of 1.0 sen per ordinary shares for the financial year ended 31 December 2020, and (ii) first interim dividend of 0.5 sen per ordinary shares for the financial year ending 31 December 2021. With this declaration, the Company's dividend payout ratio would be 70.0% for the financial year ended 31 December 2020, and 69.3% for 1Q2021.

## Outlook

Commenting on the Group's outlook, Datin Mina said, "The waves of Covid-19 will continue to be a key limiting factor of our performance for the financial year ending 31 December 2021 ("FY2021"). We will continue to vigorously execute our digitalisation and omnichannel initiatives, and aim to provide more convenience, faster access and better customer experience for everyone who comes into contact with us."

"Overall, we believe the Group will remain resilient and profitable for FY2021 and in doing so, look forward to continue with our dividend policy and our relentless efforts towards our vision of InNature Bhd as a Force for Good, by continuing with our sustainability and social initiatives for the community," stated Datin Mina.

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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, with an extensive network of 124 stores across West Malaysia, Sabah, Labuan, Vietnam and Cambodia as at 31 March 2021.

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 Cosméticos 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](http://www.innature.com.my)

## Disclaimer

This document shall be read in conjunction with the Company's interim financial report for the 1<sup>st</sup> Quarter ended 31 March 2021, as announced to Bursa Malaysia Securities Berhad on 20 May 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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