

## **InNature Doubles QoQ Profit in 3Q2020, Declares 1 Sen Interim Dividend**

**SUBANG JAYA, 20 NOVEMBER 2020** – 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 RM6.6 million on the back of RM41.7 million revenue in the 3<sup>rd</sup> Quarter ended 30 September 2020 (“**3Q2020**”). This represents a 110% jump from the preceding quarter ended 30 June 2020 (“**2Q2020**”).

For the 9-month period ended 30 September 2020 (“**9M2020**”), the Group registered a PAT of RM12.5 million on the back of RM110.6 million revenue.

### **Performance Review**

Commenting on the performance, Group Managing Director Datin Mina Cheah-Foong (“**Datin Mina**”) said, “3Q2020 is the first reporting quarter post-MCO where by and large, we are able to operate our retail stores. In Malaysia, we saw a gradual recovery of our store revenue during the reporting quarter, and conducted our first nationwide sale for the year in August 2020. Our Vietnam operation continued to record revenue growth, thanks to an improving retail environment post-MCO as well as contribution from new stores. Our pioneer store in Cambodia has been growing from strength to strength, having registered a higher revenue of RM0.9 million in 3Q2020 as compared to RM0.7 million in 2Q2020.”

“Our readiness in omnichannel helped cushion the effect of store closure during the MCO, and was the main driver behind the 182% increase in e-commerce revenue for 9M2020. Post-MCO, e-commerce revenue continued to register a 18% growth in 3Q2020,” she added.

“Our new social selling channel generated revenue of RM0.3 million in 3Q2020, and RM0.5 million in 9M2020. Headcount of our Natura beauty consultants continued to grow from 146 as at 30 June 2020 to 268 as at 30 September 2020,” shared Datin Mina.

The Group remained profitable with PAT of RM6.6 million for 3Q2020, and RM12.5 million for 9M2020. Overall, the Group recorded lesser operating expenses on reduced variable expenses, strict operational discipline on spending, rent rebates from landlords and government wage subsidies. Tax expenses had correspondingly reduced, and the non-recurring listing-related expenses were lower by RM1.7 million in 9M2020.

Geographically, the Group’s businesses in Malaysia, Vietnam and Cambodia were profitable for 3Q2020 and 9M2020. As projected, the new Natura business in Malaysia incurred initial gestational losses of RM1.0 million for 3Q2020, and RM2.3 million for 9M2020.

### **Continuous Investment in Business**

Commenting on the Group’s capital expenditures for 2020, Datin Mina said, “We have continued to make the necessary investment in the business. We opened the first Natura store in Malaysia in June 2020, two The Body Shop (“**TBS**”) stores in Vietnam in July 2020, and our second TBS store in Cambodia in October 2020. We expect to open two more TBS stores in Vietnam by 31 December 2020.”

“In addition to store openings, we launched TBS e-commerce website in Cambodia in April 2020, and invested in the system integration with Natura International’s commercial platform in September 2020 to facilitate the growth of our new business,” she added.

## Healthy Balance Sheet and Cash Flow

The Group's financial position remains healthy with a working capital of RM55.1 million and total equity of RM138.9 million as at 30 September 2020. The Group generated net cash from operations of RM22.8 million in 9M2020, and maintained a healthy cash balance (including fixed deposits and fixed income funds under Other Investments) of RM44.2 million as at 30 September 2020.

## Dividend

InNature declared an interim single tier dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 December 2020. The dividend payout represents 56.6% of the Group's PAT for 9M2020.

## Outlook

Commenting on the Group's outlook for 2020, Datin Mina said, "The resurgence of Covid-19 cases since late-September 2020 in Malaysia and the consequential imposition of Conditional MCO in October 2020 has prompted us to reactivate our business continuity plan. Most of our head office employees in Malaysia are now working from home, and we have continued to service and reach out to our customers through various digital avenues and stores that are allowed to operate."

"The waves of Covid-19 cases reaffirms our conviction on digitalisation and distance selling, which has become even more important under the new normal. We will continue to invest in enhancing our omnichannel capabilities as well as in developing our social selling channel, to future-proof our business," she added.

"Based on our achievement so far and assuming the absence of a complete lockdown for a protracted period, we believe the Group will remain profitable for the financial year ending 31 December 2020," commented 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 121 stores across West Malaysia, Sabah, Labuan, Vietnam and Cambodia as at 30 September 2020.

The Group has garnered over 36 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 Cosmetics 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 3<sup>rd</sup> Quarter ended 30 September 2020, as announced to Bursa Malaysia Securities Berhad on 20 November 2020. 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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For more information, please contact:

Chia Cang Yang

Email: [corpcomm@innature.com.my](mailto:corpcomm@innature.com.my)