

# **The Fourth Quarterly Report**

**31 DECEMBER 2020**

**RMA (CAMBODIA) PLC.**

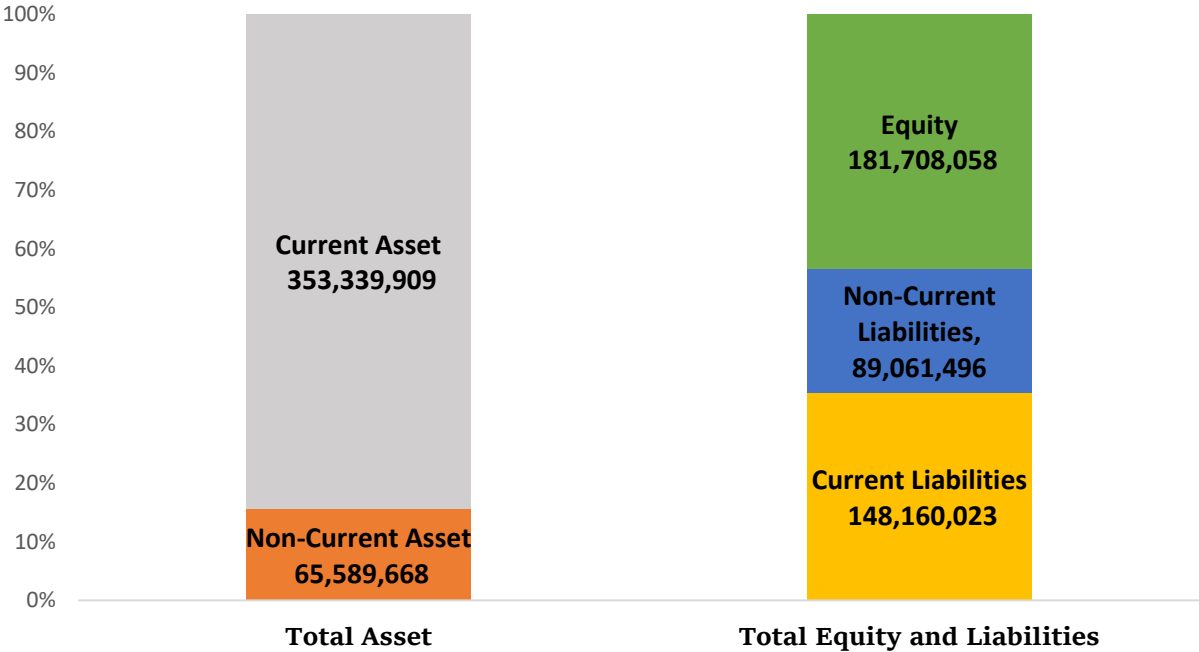
## Financial Highlights

Financial Position (in KHR thousand)	2020	2019
Total Assets	418,929,577	495,623,537
Total Liabilities	237,221,519	375,420,076
Total Shareholders' equity	181,708,058	120,203,461
Profit/(Loss) (in KHR thousand)	Quarter 4 2020	Quarter 4 2019
Total revenues	265,294,934	219,801,801
Profit/(Loss) before tax	16,551,017	3,710,892
Profit/(Loss) after tax	14,418,242	5,675,923
Total Comprehensive Income	12,105,384	4,902,893
Financial Ratio	2020	2019
Solvency Ratio	1.31	3.12
Current Ratio	2.38	1.22
Quick Ratio	1.35	0.37
Profitability Ratio	Quarter 4 2020	Quarter 4 2019
Return on average assets	2.6%	1.3%
Return on average equity	8.0%	5.5%
Gross profit margin	15.3%	14.9%
Profit margin	5.4%	2.6%
EPS (in KHR '000)	12,105	4,903
Interest Coverage ratio	8.50	2.34

<b>Profit/(Loss) (in KHR thousand)</b>	<b>2020</b>	<b>2019</b>
Total revenues	1,196,050,177	1,148,585,354
Profit/(Loss) before tax	110,671,817	113,397,618
Profit/(Loss) after tax	89,051,266	90,628,883
Total Comprehensive Income	87,613,930	91,705,504
<b>Profitability Ratio</b>	<b>2020</b>	<b>2019</b>
Return on average assets	19.2%	24.5%
Return on average equity	58.0%	102.5%
Gross profit margin	15.8%	16.4%
Profit margin	7.4%	7.9%
EPS (in KHR '000)	87,614	91,706
Interest Coverage ratio	8.48	12.82
Dividend per share (in KHR '000)	26,109	30,390
Other Important ratios	N/A	N/A

**Graphs of Financial Highlights**

**Balance Sheet ('000KHR) as of 31 Dec 2020**



TOTAL EQUITIES (IN KHR THOUSAND)



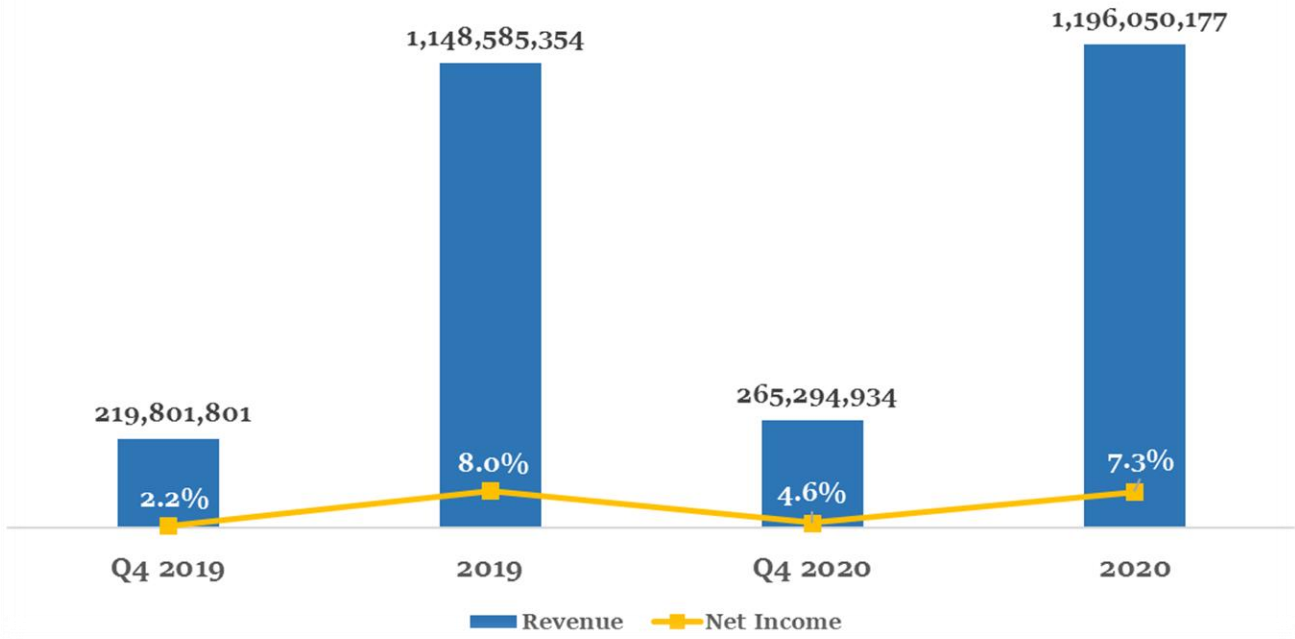
RETURN ON AVERAGE EQUITY



RETURN ON AVERAGE EQUITY



## REVENUE AND NET INCOME ('000KHR)



**Board of Directors**



**Mr. Kevin Whitcraft**  
Chairman



**Mr. Ngorn Saing**  
Executive Director



**Mr. Tom Whitcraft**  
Non-Executive Director



**Mr. Chris Manley**  
Non-Executive Director



**Mr. Ith Vichit**  
Independent Director

## Message from Chairman

Dear Investors

As for previous quarters, I set out below a brief statement of the financial performance of RMA (Cambodia) Plc, (RMAC) as per the requirements of the Securities and Exchange Commission of Cambodia (SECC).

RMAC finished its fiscal 2020 year with solid Q4 sales and net profit results respectively +20.7% and +154.0% above Q4 2019. This strong performance needs to be highlighted and again demonstrates the power of our brands and the success of our teams in the automobile, agricultural and heavy-equipment industries in Cambodia.

Fiscal 2020 started off with very promising sales, Q1'20 showing +55.2% growth above Q1'19. But this growth was tempered in Q2'20 where sales growth declined by -40.9% versus its equivalent quarter in 2019 due to COVID-19 restrictions. The 3rd quarter rose back again showing a promising turn-around, but still slightly below 2019 figures (-0.4%).

Though the pandemic has been well contained in Cambodia with 479 cases and 463 recovered, the economic effects are still being felt strongly in key sectors of the Cambodian economy, such as the tourism, construction, garment and hospitality sectors. Government spending in 2020 ministries contracted by 50% compared to the previous year.

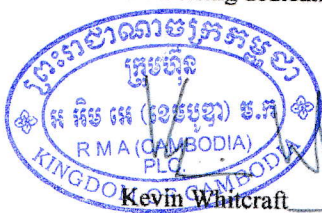
RMAC has maintained healthy fundamentals throughout 2020 by lowering its inventory level and working capital while having a cautious approach to spending. The product pipeline was kept at end of Q4'20 at a healthy level. The company continues to launch products from our suppliers focusing on the needs of Cambodian consumers and ensuring that we are providing products with the latest technology features, focusing on lowering fuel consumption and with a constant view towards the safety of our customers in the products we sell.

2020 saw the introduction of very exiting models such as:

- The All-New Land Rover Defender
- The All-Fully Electric Jaguar iPace
- The Ford Everest 2.0L Bi-Turbo
- The John Deere 6095 (95 HorsePower)

RMAC continues to execute its business strategy of being the leading supplier of world class automobile, construction, agricultural equipment and materials handling equipment in Cambodia. RMAC ensures a continuous focus of being a major player in the Cambodian economy developing our human resources and management capabilities and looking towards the long term while understanding our important role and social and environmental responsibilities.

On behalf of the Board, I thank the Executive team for their leadership, hard work and continuous commitment in a very volatile environment. This letter would not be complete without thanking our very loyal customers and passionate employees for their unfaltering dedication.



Kevin Whitcraft  
Chairman

12<sup>th</sup> February 2021

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## PART 1.- GENERAL INFORMATION OF THE LISTED ENTITY

### A. IDENTIFICATION OF THE LISTED ENTITY

Name of the Listed Entity in Khmer	អ៊ិនធឺណេត (ខេមបូឌា) ប.ក
In Latin	RMA (CAMBODIA) PLC
Standard Code	KH2000121A44
Address	No.27 E1, Street 134, Sangkat Mittapheap, Khan 7 Makara, Phnom Penh, Cambodia
Phone	+855 (0) 23 883 488 / 12 867 697
Fax	+855 (0) 23 426 752
Website	www.cambodia.rmagroup.net
Email	saing.ngorn@rmagroup.net
Registration Number	00001121 dated 12 September 2002
Disclosure Document Registration Number	068/20 ក.ប.ក នីសាវ SECC dated 02 April 2020
Name of Listed Entity's Representative	Mr. Ngorn Saing
Company Secretary	Mr. Sovan Meas (sovan.meas@rmagroup.net)

### B. NATURE OF BUSINESS

RMAC is an automotive, agriculture and heavy equipment-distributor incorporated in Cambodia. It is the distributor and provider of warranty and after-sales service for world-leading brands including Ford, Jaguar Land Rover, John Deere, TCM, JCB, FUSO and Piaggio.

Over the years, the Company has earned a reputation for being the first-choice provider of fleet and retail solutions and services that includes all aspects of vehicular fleet composition, supply, and support.

RMAC is subsidiary of Clipper Holdings Limited, parent company of the RMA Group, which has its regional operating headquarters in Bangkok, Thailand.

## C. QUARTERLY KEY EVENTS

Key quarterly events are set out below.

### Land Rover All-New Defender Launch

On 31 July, 2020, RMA Cambodia PLC conducted an official launch of the All New Defender 2020 at the Jaguar Land Rover Showroom. RMA Cambodia decided to import this luxury off-road performance vehicle to Cambodia as a response to the needs of local customers, as well as to encourage Cambodian people to start using brand new cars from Jaguar Land Rover.

### Jaguar All-Fully-Electric IPACE 2020 Launch

On 8 October 2020, RMA Cambodia PLC, the Jaguar Land Rover Authorized Exclusive Distributor in Cambodia, conducted an official launch of the All Fully Electric Jaguar IPACE model 2020 at the Jaguar Land Rover Showroom. RMA Cambodia decided to import this electric vehicle because of its performance and the benefits such as low cost of ownership, easy and convenience, zero tailpipe emissions, and a distinctive drive.

### Ford Everest 2.0L Bi-Turbo Official Launch

On 02, October 2020, RMAC launched the new Ford Everest 2.0L Bi-Turbo at The Premier Center Sen Sok. The Ford Everest is a best in class SUV with a focus on driver and passenger safety while enjoying low fuel consumption with the latest technology Bi-Turbo engine.

### John Deere Participated in Prime Minister's Visit Event in Takeo Province

21st July 2020, John Deere participated in the Prime Minister's visit and event in Prey Kabbas, Takeo Province, to promote the agricultural development in Cambodia and highlight the growing achievements in this sector. The PM's main purpose of the visit was to see demonstrations of modern farming machinery and learn about the country's agricultural progress. During this event, the PM witnessed John Deere machines in the field, and he examined them up close with great photo opportunities that were circulated in the local press.

Also in Dec'20, John Deere introduced the new and promising model of tractor: the 6095 (95HP)

### Best local Currency Bond Award

RMAC is very proud to be the first non-financial institution to have raised capital on the Cambodian Stock Exchange and received the Best Local Currency Bond Award in the Asset Asian Awards 2020. This is also the first time that the Credit Guarantee and Investment Facility (of the Asian Development Bank) has provided a guarantee to a corporation in Cambodia



### RMAC Supports Cambodian Red Cross with Flood Aid

On October 27, 2020, at the Cambodian Red Cross Headquarters, Mr. Ngorn Saing, the CEO of RMAC, together with the management of the company, met and handed over 20 tons of rice, 1000 packs of fish sauce and 1000 packs of soy sauce to the Cambodian Red Cross to support humanitarian activities while Cambodia is experiencing floods in many provinces. The event was warmly welcomed by Her Excellency Pum Chantyny, Secretary General of the Cambodian Red Cross and representative of Samdech Kittiprittbindit Bun Rany Hun Sen, along with many Cambodian Red Cross officials.

### RMAC receives Runner-up Award in CSR Excellence

On November 24, 2020, the American Chamber of Commerce held its Annual General Meeting at Raffles Hotel Le Royal. Attendees included U.S. Ambassador W. Patrick Murphy, H.E. CHEA Serey, Director General of Central Banking of the National Bank of Cambodia, H.E. Mr. BUON Sarakmony, Secretary of State at the Ministry of Commerce, the AmCham 2020 Board of Governors, and all their Members.

RMAC won the Runner-Up Award for the AmCham's CSR Excellence Awards 2020. RMAC, in partnership with Ford Motor Company, has donated 10 Ford Wildtrak pickup trucks to four different technical universities in Cambodia, including building training centers and developing a curriculum for the Institutes. The purpose of this donation is to provide capacity building to all students that study technical skills at all Technical Schools that are under the Ministry of Labor and Vocational Training, along with other Technical Schools nationwide.

In addition, congratulations to Mr. Michael Berg, Business Development Manager for RMAC, who was elected as an AmCham Board of Governor 2021 at the General Meeting.

## **PART 2.- INFORMATION ON BUSINESS OPERATIONS PERFORMANCE**

### **A. BUSINESS OPERATION PERFORMANCE INCLUDING BUSINESS SEGMENTS INFORMATION**

Key achievements in the Q4 2020 and in the full year of 2020 are as follows:

Ford Market Leadership: The Ford brand maintained its market leadership in Q4 2020, holding a market share of 33.7% for new vehicles in the period from 1st January '20 to 31<sup>st</sup> December, compared with 33.1% on the same period in 2019. The Ford Ranger continues to be the number one selling vehicle in the new vehicle market in Cambodia.

John Deere: John Deere holds the 2<sup>nd</sup> position in the tractor business in Cambodia, and has maintained its leadership in large sized tractors and harvesters.

#### Financial Results:

Q4'20 revenue was KHR 265.3bn, which was an increase of +20.7% compared to Q4'19 revenue. Q4'20 profit after tax was KHR 14.4bn, which was +154.0% higher than same period last year largely due to:

- +KHR 7.9 Bn gross profit in Q4'20 compared to Q4'19 from increased sales in December 2020 (+KHR 45.5 bn sales generating in the quarter versus last year)
- +KHR 4.4 bn of decrease in expenses, especially tax provision in Q4'19 which did not occur in Q4'20 and other savings generated during the Q4'20 quarter compared to last year.

- –KHR 4.0 bn due to the impact of deferred tax adjustment in Q4'20 and Q4'19.

The unaudited key financials at the end of the fiscal year are:

- Total Assets attain KHR 419bn declining by – KHR 77bn mainly explained by:
- –KHR 154bn through the reduction in inventory (from KHR 307bn end Dec 2019 to KHR 153bn by end Dec 2020)
- –KHR 41bn of lower amounts due from related companies, while,
- +KHR 115bn was the increase in our company's cash position which has significantly strengthened to KHR 159bn
- Shareholder's Equity achieves KHR 182bn, which is an increase of +KHR 62bn compared to 31st December 2019.
- Net Cash Flow from Operations for the full year of 2020 shows a strong performance at KHR 254bn rising by +KHR 261bn compared to same period last year. This improvement comes essentially from reduction in inventory.

RMAC invested Net cash of +KHR 10.6bn in 2020, including an investment of over KHR 5.0bn in a new Ford Service Center equipped with the latest equipment to enable our teams to provide world class services to our ever growing customer base.

## **REVENUE STRUCTURE**

RMAC is a diversified company representing a number of world class brands, including Ford, Jaguar Land Rover, Fuso, John Deere and JCB. While other business segments are developing, the Ford business segment is a major segment of the company's current revenue structure. The Ford business segment is made up of vehicle sales, after sales service and spare parts and accounted for 82.5% of Q4'20 revenues (vs 83.4% Q4'19 revenue) and 87.2% of FY'20 revenues (vs 86.1% FY'19 revenue).

Revenue by segment is shown in Part 4 of this report.

### **PART 3.- FINANCIAL STATEMENTS REVIEWED BY THE EXTERNAL AUDITOR**

Please refer to the Annex for Condensed Interim Financial Information for the Quarter and Twelve month Period Ended 31 December 2020.

## PART 4.-MANAGEMENT'S DISCUSSION AND ANALYSIS

### A. OVERVIEW OF OPERATIONS

#### 1. Revenue Analysis

Q4'20 vs Q4'19: Total revenue at KHR 265.3bn increased by + KHR 45.5bn or +20.7% in Q4'20 compared to the same quarter in 2019.

2020 vs 2019: Total revenue at KHR 1,196bn for 2020 was up +4.1% on 2019 revenues of KHR 1,148.6bn. Q1'20 revenue was very strong, following by heavy decline in Q2'20 (-40.9% below revenue in Q2'19) due to Covid'19 impact. Q3'20 revenue was progressively catching up but still slightly below Q3'19 figure (-0.4%) and Q4'20 revenue was 20.7% above Q4'19.

#### 2. Revenue by Segment

In KHR thousand	Quarter 4 2020	% Share	Quarter 4 2019	% Share
Ford	218,919,399	82.5%	183,379,886	83.4%
Other Operations	51,097,846	19.3%	41,694,670	19.0%
Corporate Elimination	(4,722,311)	-1.8%	(5,272,755)	-2.4%
Total	265,294,934	100.0%	219,801,801	100.0%

In KHR thousand	2020	% Share	2019	% Share
Ford	1,043,472,604	87.2%	988,594,891	86.1%
Other Operations	172,182,047	14.4%	178,600,852	15.5%
Corporate Elimination	(19,604,474)	-1.6%	(18,610,389)	-1.6%
Total	1,196,050,177	100.0%	1,148,585,354	100.0%

Q4'20 vs Q4'19: Ford revenue was up by KHR 35.5bn (+19.4% vs Q4'19), reflecting higher unit sales. Revenue from Other Operations increased to KHR 51.1bn (+22.6% vs Q4 2019), with higher volumes for JLR, JOHN DEERE, JCB and FUSO.

2020 vs 2019: Ford revenue for the whole year of 2020 was up KHR 54.9bn (+5.6% vs FY'19), as a result of a strong Q1 & Q4 2020 unit sales, offset by lower unit sales in Q2 & Q3 2020 as result of COVID-19. Revenue from Other Operations decreased by KHR 6.4bn (-3.6% vs FY'19), reflecting the COVID-19 impacts particularly affecting Q2'20.

### 3. Gross Profit Margin

In KHR thousand	Quarter 4 2020	Quarter 4 2019	Variance	% Change
Total Revenues	265,294,934	219,801,801	45,493,133	<b>20.7%</b>
Gross Profit	40,718,602	32,843,678	7,874,924	<b>24.0%</b>
Gross Profit Margin	<b>15.3%</b>	<b>14.9%</b>		

In KHR thousand	2020	2019	Variance	% Change
Total Revenues	1,196,050,177	1,148,585,354	47,464,823	<b>4.1%</b>
Gross Profit	188,894,854	187,953,836	941,018	<b>0.5%</b>
Gross Profit Margin	<b>15.8%</b>	<b>16.4%</b>		

Q4'20 vs Q4'19: Gross profit margin in Q4'20 increased to 15.3% (vs 14.9% in Q4'19) mainly due to better sale mix of higher margin products and new models.

2020 vs 2019: Gross profit margins for full year 2020 was 15.8%, which was lower than the last year figures of 16.4%. This was due intensified market competition during Covid-19 era putting pressure on prices and gross margins.

*Profit Before Tax ('PBT') analysis:*

In KHR thousand	Quarter 4 2020	Quarter 4 2019	Variance	% Change
Total Revenues	265,294,934	219,801,801	45,493,133	<b>20.7%</b>
Gross Profit	40,718,602	32,843,678	7,874,924	<b>24.0%</b>
Gross Profit Margin	<b>15.3%</b>	<b>14.9%</b>		
Expenses	21,961,909	26,371,627	(4,409,718)	<b>-16.7%</b>
Finance Costs	2,205,676	2,761,159	(555,483)	<b>-20.1%</b>
Profit Before Tax	16,551,017	3,710,892	12,840,125	<b>346.0%</b>
Margin	<b>6.2%</b>	<b>1.7%</b>		

In KHR thousand	2020	2019	Variance	% Change
Total Revenues	1,196,050,177	1,148,585,354	47,464,823	<b>4.1%</b>
Gross Profit	188,894,854	187,953,836	941,018	<b>0.5%</b>
Gross Profit Margin	<b>15.8%</b>	<b>16.4%</b>		
Expenses	63,436,049	64,961,528	(1,525,479)	<b>-2.3%</b>
Finance Costs	14,786,988	9,594,690	5,192,298	<b>54.1%</b>
Profit Before Tax	110,671,817	113,397,618	(2,725,801)	<b>-2.4%</b>
Margin	<b>9.3%</b>	<b>9.9%</b>		

Q4'20 vs Q4'19: Profit before tax margin for Q4'20 at 6.2% was up from 1.7% in Q4'19, due to the combination of three components, one the increase in gross profit margin resulting from better sales, two the decrease in operating expenses, mainly on tax provision in Q4'19, and three by lower financial costs due to strong cash position and faster repayment of short term loans and borrowings.



2020 vs 2019: Profit before tax margins declined from 9.9% in 2019 to 9.3% in 2020 reflecting a slight drop in gross profit margin (15.8% vs 16.4% in FY'19), a decrease in expenses of KHR 1.5bn mainly due to tax provision in 2019, offset by the increase in finance costs of KHR 5.2bn due to cash preservation strategy during Q2'20 for unforeseen Covid'19 impacts.

4. *Profit After Tax ('PAT') analysis:*

In KHR thousand	Quarter 4 2020	Quarter 4 2019	Variance	% Change
Profit Before Tax	16,551,017	3,710,892	12,840,125	346.0%
Tax Expense	2,132,775	(1,965,031)	4,097,806	208.5%
Profit After Tax	14,418,242	5,675,923	8,742,319	154.0%
Profit After Tax Margin	5.4%	2.6%		

In KHR thousand	2020	2019	Variance	% Change
Profit Before Tax	110,671,817	113,397,618	(2,725,801)	-2.4%
Tax Expense	21,620,551	22,768,735	(1,148,184)	-5.0%
Profit After Tax	89,051,266	90,628,883	(1,577,617)	-1.7%
Profit After Tax Margin	7.4%	7.9%		

Q4'20 vs Q4'19: Profit after tax margin for Q4'20 at 5.4% was up from 2.6% in Q4'19, due to a higher profit before tax margin for Q4'20, and the effect of deferred tax.

2020 vs 2019: Profit After Tax margin for 2020 at 7.4% was down from 7.9% in 2019, mainly due to lower margin.

## **B. SIGNIFICANT FACTORS AFFECTING PROFIT**

### *1. Demand and supply conditions analysis*

The COVID-19 pandemic in Cambodia significantly impacted both demand and supply conditions, especially in Q2 of 2020.

Demand has been impacted by delays and cancellations of major private and public sector projects, a reduction in consumer confidence, loss of the tourism and hospitality business and more cautious bank lending. By end of Q4, sectors like tourism and hospitality are still severely affected by the pandemic.

Supply was initially impacted by lock downs, notably at the Ford factory in Thailand, but has subsequently returned to normal starting Q3'20.

### *2. Fluctuations in prices of raw materials analysis*

There has been no significant fluctuation in prices of raw materials. However, there are some increase in logistic costs during this pandemic.

### *3. Tax Analysis*

Recently, there have been no significant changes in tax regulations in Cambodia that have had a material impact on our financial performance.

It is worth noting that the financial statements in this report have been prepared taking in consideration the incentives over the tax assessment available to issuers of listed debt securities under The Sub-Decree 01ANKr.BK dated 4 January 2019 (“Sub-Decree”). As noted at section 5(i) of the Disclosure Document of RMAC dated 23 December 2019, there remains some uncertainty as to the application of the incentives under the Sub-Decree to certain tax years. At this stage, we are liaising with SECC on the application of the Sub-decree.

### *4. Exceptional and extraordinary items analysis*

There were no exceptional and extraordinary items in the period.

### **C. MATERIAL CHANGES IN SALE AND REVENUE**

The revenue for Q4 2020 and the full year of 2020, and the comparative periods in 2019 are shown in section of this document and also in the Condensed Interim Financial Statements.

### **D. IMPACT OF FOREIGN EXCHANGE, INTEREST RATES AND COMMODITY PRICES**

Exchange rate movements have no material impact on our financial performance as the vast majority of our business is conducted in KHR/USD, with only minimal purchases of imported products purchased in foreign currencies. We are not impacted by Commodity prices as we are not trading in commodities. Interest rates movements in the period have been minimal.

### **E. IMPACT OF INFLATION**

There is no significant impact of inflation on our financial performance.

### **F. ECONOMIC, FISCAL AND MONETARY POLICY OF ROYAL GOVERNMENT**

There have been no major impacts resulting from changes in Government Policy, apart from those relating to COVID-19, involving reduced Government spending and restrictions impacting certain sectors of the economy, such as tourism.

**Signature of Directors of Listed Entity**


Date: 12<sup>th</sup> February 2021

Read and Approved

  
\_\_\_\_\_  
Name: Kevin Whitcraft  
Position: Chairman of the Board of Directors



Read and Approved

  
\_\_\_\_\_  
Name: Ngorn Saing  
Position: Chief Executive Officer

