



Q3 2023 Report

01 July to 30 September 2023

RMA (CAMBODIA) PLC.



RMA CAMBODIA

No. 27, Street 134, P.O. Box 55, Sangkat Mittapheap, Khan 7Makara, Phnom Penh, Kingdom of Cambodia
Tel: +855 (0) 23-888-000, Fax: +855 (0) 23-426-752
www.cambodia.rmagroup.net

FINANCIAL OVERVIEW

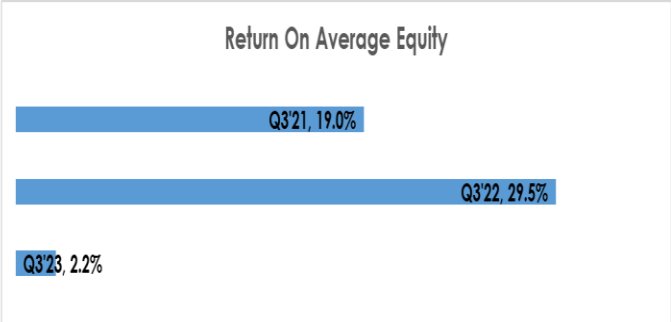
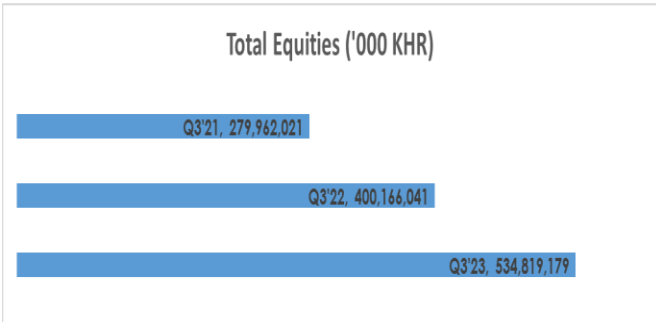
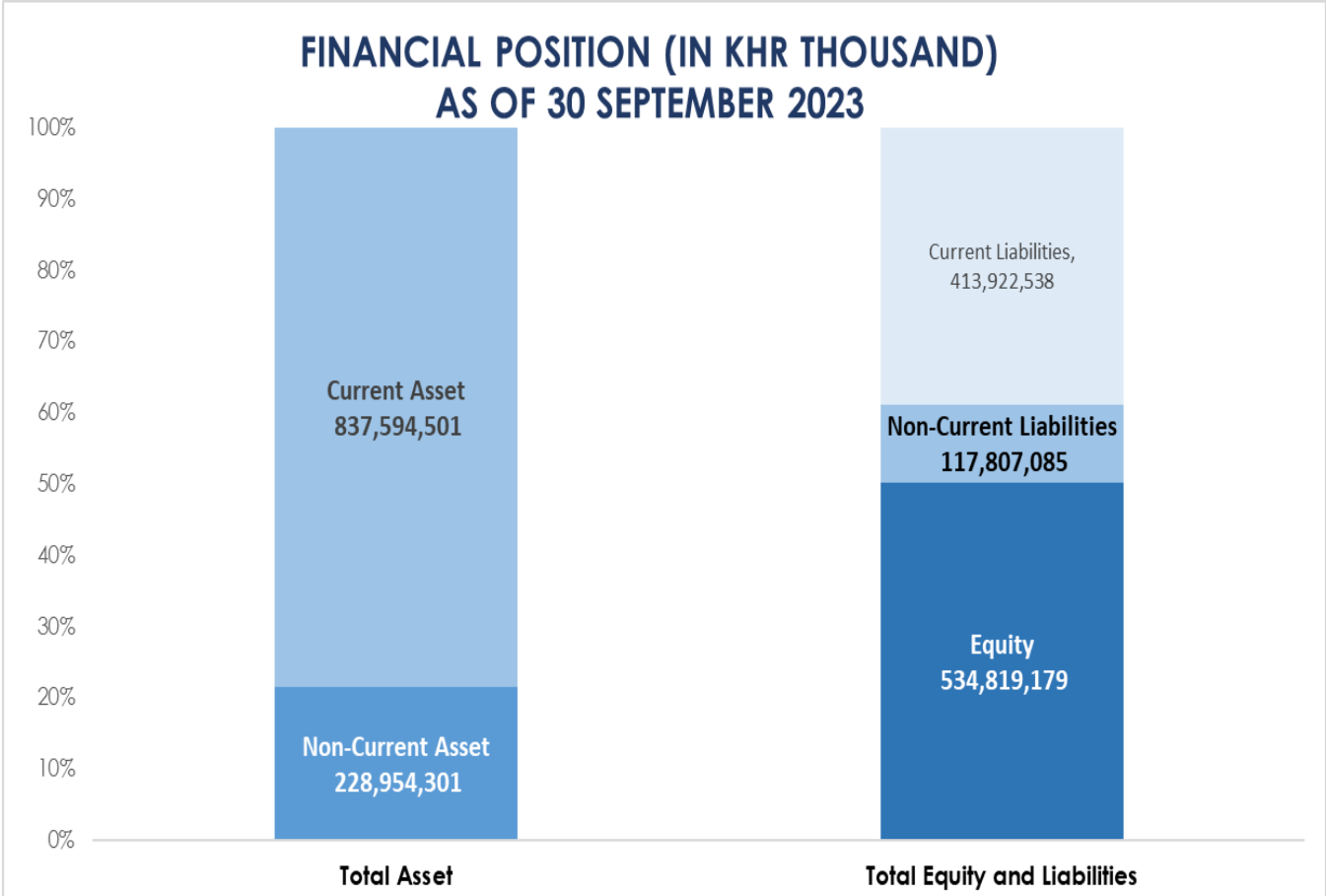
| Financial Position (in KHR Thousand) | Quarter 3 2023 | 2022 | 2021 |
|--------------------------------------|-------------------|-------------|-------------|
| Total assets | 1,066,548,802 | 889,295,232 | 608,159,530 |
| Total Liabilities | 531,729,623 | 451,392,433 | 322,240,820 |
| Total Shareholders' equity | 534,819,179 | 437,902,799 | 285,918,710 |

| Profit/(Loss) (in KHR Thousand) | Quarter 3 2023 | Quarter 3 2022 | Quarter 3 2021 |
|---------------------------------|-------------------|-------------------|-------------------|
| Total revenues | 366,657,710 | 785,693,891 | 469,910,384 |
| Profit/(Loss) before tax | 15,955,346 | 121,589,482 | 53,645,568 |
| Profit/(Loss) after tax | 13,243,519 | 98,436,979 | 44,451,427 |
| Total Comprehensive Income | 10,597,376 | 101,090,618 | 44,555,248 |

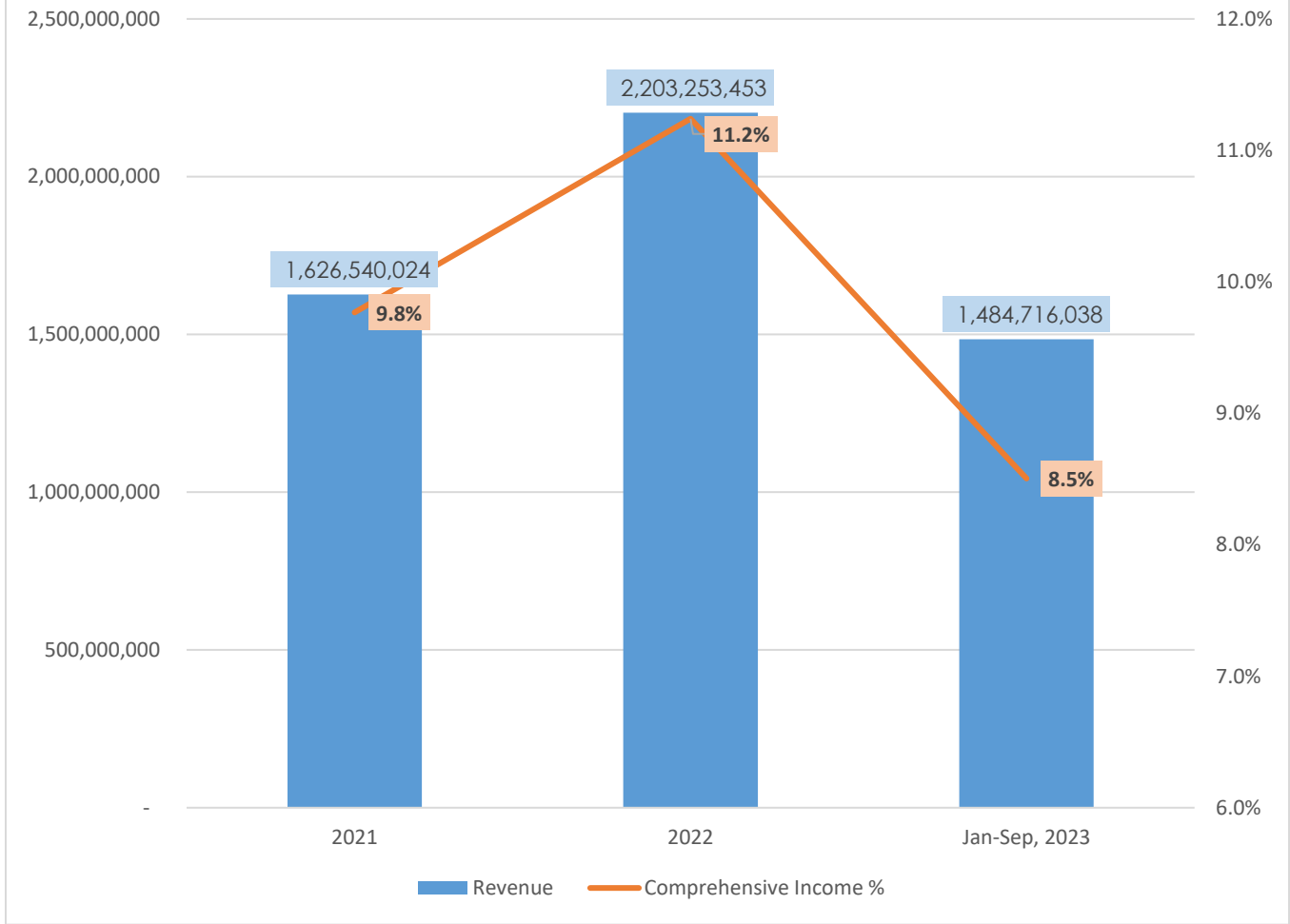
| Financial Ratio | Quarter 3 2023 | 2022 | 2021 |
|-----------------|-------------------|------|------|
| Solvency Ratio | 1.0 | 1.0 | 1.1 |
| Current Ratio | 2.0 | 2.0 | 2.0 |
| Quick Ratio | 0.4 | 0.7 | 1.0 |

| Profitability Ratio | Quarter 3 2023 | Quarter 3 2022 | Quarter 3 2021 |
|--------------------------|-------------------|-------------------|-------------------|
| Return on average assets | 1.1% | 14.6% | 10.3% |
| Return on average equity | 2.2% | 29.5% | 19.0% |
| Gross profit margin | 16.0% | 19.2% | 15.4% |
| Profit margin | 2.9% | 12.9% | 9.5% |
| Interest Coverage ratio | 2.8 | 36.0 | 27.4 |

GRAPHS OF FINANCIAL HIGHLIGHTS



Revenue and Comprehensive Income ('000 KHR)



Board of Directors



Wiedmann Christian

Ngorn Saing

Kevin Whitcraft

Tom Whitcraft

Vichit Ith

Mr. Kevin Whitcraft

Chairman of Board of Director

Mr. Ngorn Saing
Executive Director

Mr. Tom Whitcraft
Non-Executive Director

Mr. Wiedmann Christian
Non-Executive Director

Mr. Vichit Ith
Independent Director

Message from the 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 Regulator of Cambodia (SERC).

The global economy is expected to slow down significantly in 2023, with the World Bank forecasting growth of just 3.2%. This will have a negative impact on Cambodia's exports, which account for a significant share of the economy. Cambodia's GDP growth has been risen down to +5.0%. Its financial sector is highly leveraged, with a credit-to-GDP ratio significantly above 100%. This makes the sector vulnerable to shocks, such as a sudden rise in interest rates, putting pressure on household budgets and businesses.

Our analysis indicate that the Cambodia automobile sector is facing a significant slump in 2023, with sales down by around -30% compared to the same period in 2022. This sharp decline is due to a number of factors, including the aftermath impacts of COVID-19 pandemic, global economic slowdown, creeping inflation, and financial sector risks.

During the third quarter of 2023, RMAC faced a drop of sales by -56% compared to the same quarter of 2022. The quarter's Net Profit was lowered by -86%. Nevertheless, year-to-date, RMAC retains its market leadership in the non-luxury automotive segment with the Ford and Changan brands. On a year-to-date basis, revenues are short of -4% against the same period in 2022. RMAC has maintained a strong balance sheet.

RMAC is dedicated to delivering iconic must-wanted products as well as unparalleled services to its loyal customers. Our company is constantly investing in its network of showroom and after-sale service centers, as the new opening of the all-new 3-in-1 facility in Chroy Changvar exemplifies this long-term commitment to the Cambodian people. Through vocational training and by communicating RMAC's uniqueness to students in main career fairs, RMAC is betting on people to provide excellence to its customers.

Lastly, I am proud of the rise of our state-of-the-art Pursat assembly plant one year after its launch. On that occasion, RMAC donated two Ford Ranger ambulances to the Cambodian Red Cross.

On behalf of the Board, I thank our loyal & passionate customers who have been on our side during these challenging periods for the Kingdom of Cambodia. We wish the people of Cambodia to keep safe & healthy.


Kevin Whitcraft
Chairman



Table of Contents

| | |
|---|----|
| FINANCIAL OVERVIEW | 2 |
| GRAPHS OF FINANCIAL HIGHLIGHTS | 3 |
| Board of Directors | 5 |
| Message from the Chairman | 6 |
| PART 1.- GENERAL INFORMATION OF THE LISTED ENTITY | 8 |
| A. IDENTIFICATION OF THE LISTED ENTITY | 8 |
| B. NATURE OF BUSINESS | 8 |
| C. QUARTERLY KEY EVENTS | 9 |
| PART 2.- INFORMATION ON BUSINESS OPERATIONS PERFORMANCE | 11 |
| A. BUSINESS OPERATION PERFORMANCE & SEGMENTAL INFORMATION | 11 |
| B. REVENUE STRUCTURE | 11 |
| PART 3.- FINANCIAL STATEMENTS REVIEWD BY THE EXTERNAL AUDITOR | 12 |
| PART 4.-MANAGEMENT'S DISCUSSION AND ANALYSIS | 13 |
| A. OVERVIEW OF OPERATIONS | 13 |
| B. SIGNIFICANT FACTORS AFFECTING PROFIT | 14 |
| C. MATERIAL CHANGES IN SALE AND REVENUE | 15 |
| D. IMPACT OF FOREIGN EXCHANGE, INTEREST RATES AND COMMODITY PRICES | 15 |
| E. IMPACT OF INFLATION | 15 |
| F. ECONOMIC, FISCAL AND MONETARY POLICY OF ROYAL GOVERNMENT | 15 |
| G. OTHER EVENTS OF SIGNIFICANCE | 15 |
| Signature of Directors of Listed Entity | 16 |

PART 1.- GENERAL INFORMATION OF THE LISTED ENTITY

A. IDENTIFICATION OF THE LISTED ENTITY

| Name of the Listed Entity in Khmer | អ៊ិម អេ (ខេមបូឌា) ម.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 គ.ម.ក លំលំរ 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, Land Rover, Changan, After-Sales of Mercedes-Benz, John Deere, TCM, JCB, FUSO, and Piaggio. RMAC has recently launched a new division names Automobile Accessories which purpose is to sell high-quality automotive paint for bodyshop works under the brand R-M (part of BASF Group), and automotive batteries under the Korean brand RG Batteries.

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 after sales service 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.

JULY 2023

FORD ASSEMBLY PLANT 1st ANNIVERSARY

On July 11, 2023, marking the first anniversary of the official inauguration of the Ford Assembly Plant, RMA Cambodia organized a ceremony to donate two ambulances to the Cambodian Red Cross, Pursat Branch Press was invited to this event at MB state-of-the-art facilities on Hun Seng Bld.



JULY 2023

DONATION

On July 11, 2023, RMA Cambodia organized a ceremony to donate two ambulances to the Cambodian Red Cross.



JULY 2023

CAREER ORIENTATION

18th July-RMA Cambodia, in collaboration with Norton University, recently conducted a career-oriented seminar, aptly titled "Career Orientation". The seminar was held with the presence of distinguished speakers including Mr. Grant Honeyman, the General Manager of HR and Administration, and Mr. Sok Sunthera, the General Manager of John Deere Cambodia at RMA Cambodia.



AUGUST 2023

**GRAND OPENING
FORD SHOWROOM CHROY CHANGVAR**

The event was attended by the management of Ford Motor Company, RMA Group, RMA (Cambodia) and 100 distinguished guests.



PART 2.- INFORMATION ON BUSINESS OPERATIONS PERFORMANCE

A. BUSINESS OPERATION PERFORMANCE & SEGMENTAL INFORMATION

Q3'23 has been a very challenging quarter for the automotive sector in Cambodia which has scaled down by -45% compared to the equivalent quarter in 2022.

In this depressed environment, RMAC has had the following achievements: in Q3'23:

Ford Market: Ford maintained its **#1 top-selling automotive brand** rank in the new non-luxury Cambodia market with the **Ford Ranger** seeding **#1 in the pick-up segment** in Cambodia.

John Deere: According to our internal sources, John Deere holds the **#2** in terms of market share with in Cambodia and has maintained its leadership in large sized tractors and harvesters.

Financial Results:

Due to adverse market conditions in the Cambodia automobile sector, **RMAC's Q3'23 revenues were KHR 367bn**, which was an decrease of **-53%** compared to Q3'22 revenue. **Q3'23 profit after tax was KHR 13.2bn (-86.5% vs Q3'22)**.

Net cash flow utilized in investing activities is **KHR 16bn in Q3'23**, which includes construction of new showrooms, and purchases of new vehicles for operation and additional operating equipment.

B. REVENUE STRUCTURE

RMAC is a diversified company representing a number of world class brands, including Ford, Land Rover, Changan, After-Sales Mercedes-Benz, Fuso, John Deere, JCB and Piaggio.

All the Company revenues are classified into two categories:

1. Sales of goods: Revenues associated with the sale of vehicles and equipment.
2. Service revenues: Revenues associated with repair and maintenance services of the vehicles and equipment.

The table below shows the two categories of revenues for **Q3'23** and comparable periods in the last three years.

| In KHR Thousand | Quarter 3 2023 | % Share | Quarter 3 2022 | % Share | Quarter 3 2021 | % Share |
|-----------------|----------------|---------|----------------|---------|----------------|---------|
| Sales of goods | 346,365,528 | 94.5% | 773,147,476 | 98.4% | 458,072,154 | 58.3% |
| Service revenue | 20,292,182 | 5.5% | 12,546,415 | 1.6% | 11,838,230 | 1.5% |
| Total | 366,657,710 | 100.0% | 785,693,891 | 100.0% | 469,910,384 | 100.0% |

PART 3.- FINANCIAL STATEMENTS REVIEWD BY THE EXTERNAL AUDITOR

Please refer to the Annex for Condensed Interim Financial Information for the Quarter Ended 30 September 2023.

PART 4.-MANAGEMENT'S DISCUSSION AND ANALYSIS

A. OVERVIEW OF OPERATIONS

1. Revenue Analysis

Total **revenue at KHR 366.7bn** decreased by -KHR 419.0bn or **-53.3%** in Q3'23 compared to the same quarter in 2022.

2. Revenue by Segment

The Ford division was negatively impacted during this quarter while RMAC's luxury brand Land Rover, its Heavy-Equipment and new Chinese brand Changan recorded strong double-digit growth.

3. Profit Before Tax ('PBT') analysis:

| In KHR thousand | Quarter 3 2023 | Quarter 3 2022 | Variance | % Change |
|----------------------------|----------------|----------------|---------------|----------|
| Total revenues | 366,657,710 | 785,693,891 | (419,036,181) | -53.3% |
| Gross Profit | 58,644,877 | 150,568,375 | (91,923,498) | -61.1% |
| Gross Profit Margin | 16.0% | 19.2% | | |
| Operating Expense | 33,937,459 | 25,505,059 | 8,432,400 | 33.1% |
| Finance Costs | 8,752,072 | 3,473,834 | 5,278,238 | 151.9% |
| Profit Before Tax | 15,955,346 | 121,589,482 | (105,634,136) | -86.9% |
| Margin | 4.4% | 15.5% | | |

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

| In KHR thousand | Quarter 3 2023 | Quarter 3 2022 | Variance | % Change |
|--------------------------------|----------------|----------------|---------------|----------|
| Profit Before Tax | 15,955,346 | 121,589,482 | (105,634,136) | -86.9% |
| Tax Expense | 2,711,827 | 23,152,503 | (20,440,676) | -88.3% |
| Profit After Tax | 13,243,519 | 98,436,979 | (85,193,460) | -86.5% |
| Profit After Tax Margin | 3.6% | 12.5% | | |

B. SIGNIFICANT FACTORS AFFECTING PROFIT

1. Demand and supply conditions analysis

In general RMAC's customers in Cambodia show strong intention of purchases of RMAC's key brands , Ford, Changan, John Deere and Land Rover.

RMAC monitors closely its sourcing pipeline for each division in order to take the appropriate decision in terms of product ordering.

2. Fluctuations in prices of raw materials analysis

There has been no significant fluctuation in prices of raw materials.

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.

4. Exceptional and extraordinary items analysis

There were no other exceptional and extraordinary items in the period.

C. MATERIAL CHANGES IN SALE AND REVENUE

The revenue for Q3'23 and the comparative periods in 2022 is shown in sections of this document and 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

A new government was elected in August 2023. The leadership change has shown strong resilience and no major change of government policy is expected in the short run.

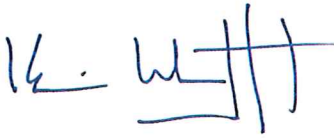
G. OTHER EVENTS OF SIGNIFICANCE

There has been no events of significance during this quarter.

Signature of Directors of Listed Entity

Date: 13 November 2023

Read and approved



Kevin Whitcraft
Chairman of the Board of Directors



Read and approved



Ngorn Saing
Chief Executive Officer

