



# Q4 2023 Report

01 October to 31 December 2023

RMA (CAMBODIA) PLC.



**RMA CAMBODIA**

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## FINANCIAL OVERVIEW

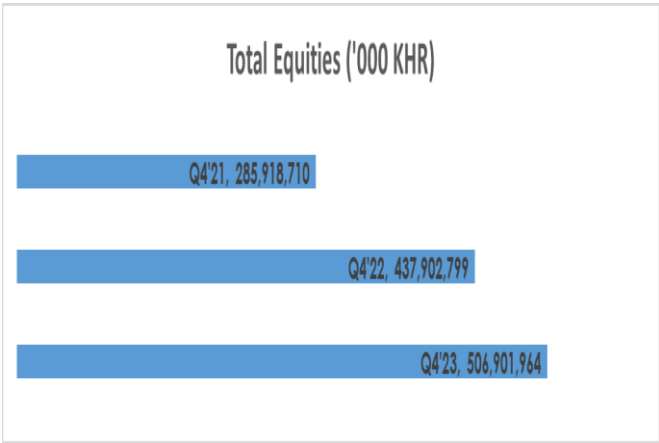
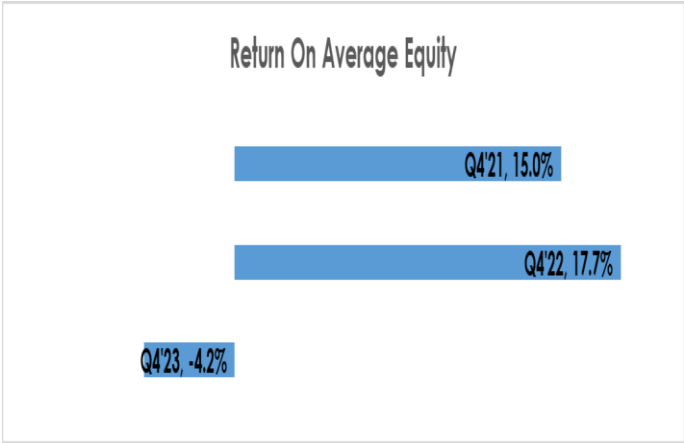
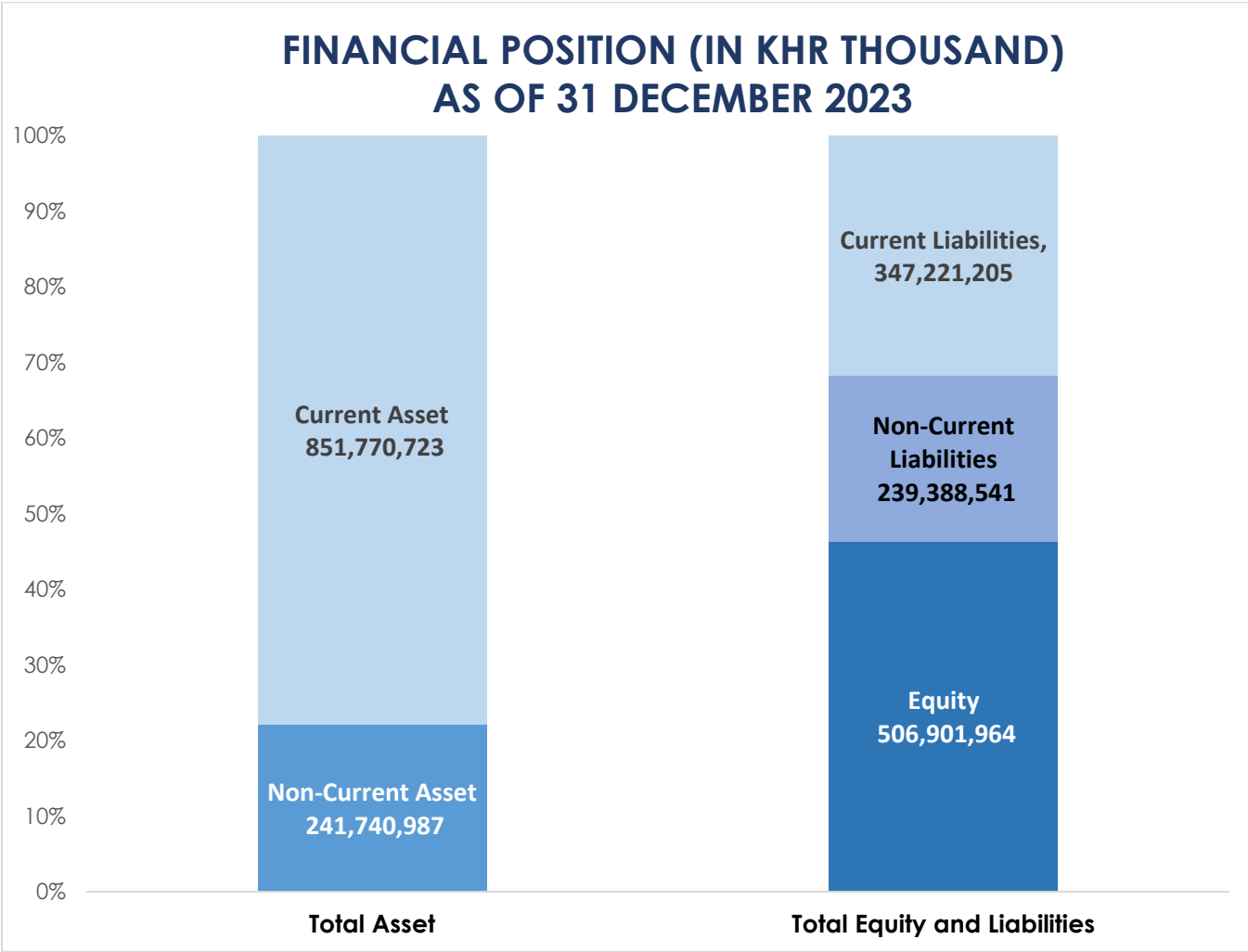
Financial Position (in KHR Thousand)	Quarter 4 2023	2022	2021
Total assets	1,093,511,710	889,295,232	608,159,530
Total Liabilities	586,609,746	451,392,433	322,240,820
Total Shareholders' equity	506,901,964	437,902,799	285,918,710

Profit/(Loss) (in KHR Thousand)	Quarter 4 2023	Quarter 4 2022	Quarter 4 2021
Total revenues	315,250,346	670,517,092	368,149,768
Profit/(Loss) before tax	(14,941,199)	78,758,519	41,582,199
Profit/(Loss) after tax	(13,075,453)	62,758,450	36,022,359
Total Comprehensive Income	(16,508,889)	64,208,104	35,647,409

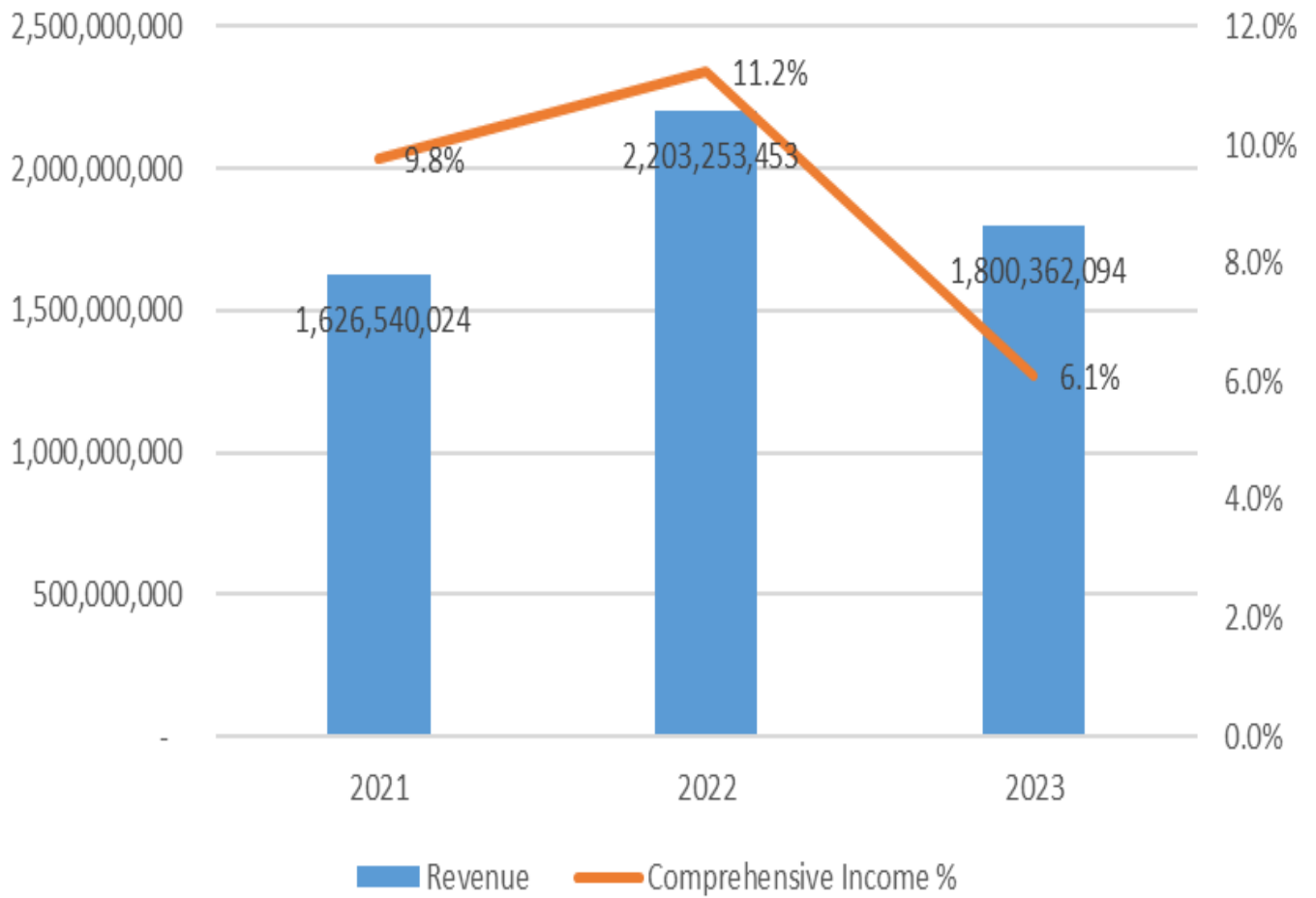
Financial Ratio	Quarter 4 2023	2022	2021
Solvency Ratio	1.2	1.0	1.1
Current Ratio	2.5	2.0	2.0
Quick Ratio	0.6	0.7	1.0

Profitability Ratio	Quarter 4 2023	Quarter 4 2022	Quarter 4 2021
Return on average assets	-1.7%	8.6%	7.0%
Return on average equity	-3.5%	17.7%	15.0%
Gross profit margin	15.7%	19.6%	17.9%
Profit margin	-5.2%	9.6%	9.7%
Interest Coverage ratio	(0.7)	16.0	18.3

**GRAPHS OF FINANCIAL HIGHLIGHTS**



## Revenue and Comprehensive Income ('000 KHR)



## Board of Directors



Wiedmann Christian

Ngorn Saing

Kevin Whitcraft

Tom Whitcraft

Vichit Ith

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**Mr. Kevin Whitcraft**  
**Chairman of Board of Director**

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**Mr. Ngorn Saing**  
**Executive Director**

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

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**Mr. Wiedmann Christian**  
**Non-Executive Director**

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**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) in the 4<sup>th</sup> quarter of 2023.

The global economy has shown more resilience than expected in Q4 2023, with Euromonitor International forecasting a slight increase of the quarter world GDP to 2.8% from 2.6% in Q4 2023. However, China, the largest economy in Asia, and traditionally the largest investor in the Kingdom has deteriorated its outlook with a full 2023 GDP growth lowered to 5.0%. The substantial real estate sector crisis, coupled with lackluster manufacturing orders has shaken the Chinese consumer confidence. On the bright side, economists see strong growth in the emerging economies of Asia Pacific (Vietnam, Philippines, Indonesia & India). Cambodia is set to benefit from its neighbor's economic dynamism.

His Excellency Prime Minister Hun Manet announced the new government's strategic blueprint for the transformation of Cambodia's economy at the 19th Government-Private Sector Forum in November. The dynamism of this and other initiatives are anticipated to bear fruit in 2024.

In the fourth quarter of 2023, the Cambodian automobile market saw a sharp contraction of -36% of units sold compared to the comparable quarter of 2022. This came after an even deeper dip in the third quarter (-46% versus a comparable quarter in 2022). A reduction in approval rates for consumer bank loans and high interest rates took a toll on local spending. Hopes for a more rapid growth in tourism post the covid years did not materialize in 2023.

RMAC is proud that in 2023 the majority of vehicles sold were manufactured in Cambodia. Additionally, our Agricultural equipment division distributing John Deere products reclaimed market share and profitability in the second half of the year and our distribution of the Chang An brand started to show results.

During the 4<sup>th</sup> quarter of 2023, RMAC recorded lower sales by -53% compared to the same quarter of 2022 which had attained a historical peak. Nevertheless, year-to-date, RMAC retains its market leadership in market share of the non-luxury automotive segment with the Ford and Changan brands. With costs increasing and higher interest, costs increased considerably compared to a similar period in 2022. Regardless of this, the company still achieved a net profit after tax of KHR 113bn for the year.

RMAC continues to be dedicated to delivering iconic must-wanted products as well as unparalleled services to its loyal customers. Our After-Sales service businesses have increased their revenue by +14% during the full year indicating that our customers value the quality and efficiency of our services. We are constantly investing in our network with a much expanded after-sale service center network.

During the quarter RMAC has gained international recognition by being awarded one of "the Best Companies to Work in Asia", demonstrating the elevated standards our employees have achieved and the quality of their working environment.

Also, I am very proud to announce that RMAC has been awarded the "CSR Excellence Winner in Education" delivered by the American Chamber of Commerce recognizing all the efforts and investments the company has made to the universities and vocational schools.

Finally, RMAC has received from the General Department of Taxation of the Kingdom of Cambodia the renewal of its Gold Certificate status covering years 2024 and 2025. This renewal evidences our company's strong compliance with prevailing tax laws.

On behalf of the Board, I thank our passionate customers who have been on our side during these challenging periods for the Kingdom of Cambodia.

We wish the people of Cambodia a wonderful 2024.


Kevin Whitcraft  
Chairman



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

### A. IDENTIFICATION OF THE LISTED ENTITY

<b>Name of the Listed Entity in Khmer</b>	<b>អ៊ិម អេ (ខេមបូឌា) ម.ក</b>
<b>In Latin</b>	RMA (CAMBODIA) PLC
<b>Standard Code</b>	KH2000121A44
<b>Address</b>	No.27 E1, Street 134, Sangkat Mittapheap, Khan 7 Makara, Phnom Penh, Cambodia
<b>Phone</b>	+855 (0) 23 883 488 / 12 867 697
<b>Fax</b>	+855 (0) 23 426 752
<b>Website</b>	<a href="http://www.cambodia.rmagroup.net">www.cambodia.rmagroup.net</a>
<b>Email</b>	<a href="mailto:saing.ngorn@rmagroup.net">saing.ngorn@rmagroup.net</a>
<b>Registration Number</b>	00001121 dated 12 September 2002
<b>Disclosure Document Registration Number</b>	068/20 គ.ម.ក លំដាប់ SECC dated 02 April 2020
<b>Name of Listed Entity's Representative</b>	Mr. Ngorn Saing
<b>Company Secretary</b>	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.

### DECEMBER 2023

#### LAND ROVER JOINS MOC IN IMPORT-EXPORT FAIR

Joint hosting with MOC the Cambodia Products Exhibition and 16th Import-export Commodities Expo



### AWARDS RECEIVED IN Q4'23

#### RMAC AWARDED AMCHAM CSR EXCELLENCE WINNER IN EDUCATION

Building the foundation for the future generation



#### RMAC AWARDED BEST COMPANIES TO WORK IN ASIA

Second consecutive year RMAC wins this prestigious award underscores unwavering commitment to our people



## PART 2.- INFORMATION ON BUSINESS OPERATIONS PERFORMANCE

### A. BUSINESS OPERATION PERFORMANCE & SEGMENTAL INFORMATION

Q4'23 has been a challenging quarter for the automotive sector in Cambodia which has scaled down by **-36%** compared to the equivalent quarter in 2022.

In this depressed environment, RMAC has had the following achievements: in Q4'23:

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. We are proud that the majority of vehicles sold were manufactured in Cambodia.

John Deere: According to our internal sources, John Deere holds the **#2** in terms of market share in Cambodia, and has reclaimed market share during 2023.

#### Financial Results:

Due to adverse market conditions in the Cambodia automobile sector, **RMAC's Q4'23 revenues were KHR 315bn**, which was an decrease of **-53%** compared to Q4'22 revenue. **Q4'23 profit after tax was loss KHR 13.1bn (-120.8% vs Q4'22).**

Net cash flow utilized in investing activities is **KHR 19bn in Q4'23**, 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:

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

The table below shows the two categories of revenues for **Q4'23** and comparable periods in the last three years.

In KHR Thousand	Quarter 4 2023	% Share	Quarter 4 2022	% Share	Quarter 4 2021	% Share
Sales of goods	296,755,290	94.1%	652,069,083	97.2%	358,759,752	97.4%
Service revenue	18,495,056	5.9%	18,448,009	2.8%	9,390,016	2.6%
Total	315,250,346	100.0%	670,517,092	100.0%	368,149,768	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 31 December 2023.

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

### A. OVERVIEW OF OPERATIONS

#### 1. Revenue Analysis

Total **revenue at KHR 315.3bn** decreased by -KHR 355.3bn or **-53%** in Q4'23 compared to the same quarter in 2022.

#### 2. Revenue by Segment

The Ford and Land Rover saw a decline in revenue in Q4'23 compared to prior year, while its Changan, Agriculture, Heavy-Equipment and Special Product divisions recorded stronger sales than prior year.

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

In KHR thousand	Quarter 4 2023	Quarter 4 2022	Variance	% Change
Total revenues	315,250,346	670,517,092	(355,266,746)	-53.0%
Gross Profit	49,497,829	131,554,345	(82,056,516)	-62.4%
<b>Gross Profit Margin</b>	<b>15.7%</b>	<b>19.6%</b>		
Operating Expense	55,816,672	47,536,343	8,280,329	17.4%
Finance Costs	8,622,356	5,259,483	3,362,873	63.9%
Profit Before Tax	(14,941,199)	78,758,519	(93,699,718)	-119.0%
<b>Margin</b>	<b>-4.7%</b>	<b>11.7%</b>		

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

In KHR thousand	Quarter 4 2023	Quarter 4 2022	Variance	% Change
Profit Before Tax	(14,941,199)	78,758,519	(93,699,718)	-119.0%
Tax Expense	(1,865,746)	16,000,069	(17,865,815)	-111.7%
Profit After Tax	(13,075,453)	62,758,450	(75,833,903)	-120.8%
<b>Profit After Tax Margin</b>	<b>-4.1%</b>	<b>9.4%</b>		

## **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 Q4'23 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.

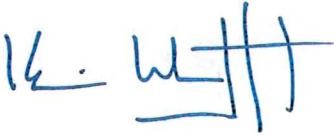
### **G. OTHER EVENTS OF SIGNIFICANCE**

There has been no events of significance during this quarter.

## Signature of Directors of Listed Entity

Date: 14 February 2024

Read and approved



Kevin Whitcraft  
Chairman of the Board of Directors



Read and approved



Ngorn Saing  
Chief Executive Officer

