

Capital Reports



Table 20: Capital Deployment

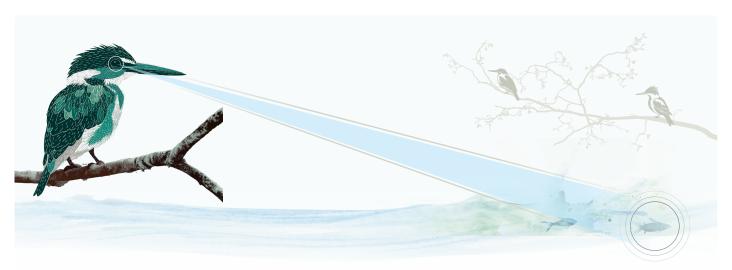
	Capitals	Unit	2024/25	2023/24	2022/23	2021/22	2020/21
	Financial Capital						
	Equity	Rs. Millions	15,438	16,849	15,354	15,466	14,961
	Borrowings	Rs. Millions	27,923	22,395	13,730	8,951	4,551
	Earnings per share	Rs.	(137)	4.65	62.73	76.06	52.72
	Gross Margin	%	22.71	27.16	36.1	26.3	24.23
	Gearing Ratio	%	64.40	57.07	47.21	36.66	23.33
	Manufactured Capital						
	Freehold building Sq. feet	Sq. Ft.	874,574	857,163	823,359	823,359	823,359
_		•	-	•	•	•	
00	Human Capital				•		
_	Total employees	Number	1994	1,933	1,868	1,875	1,804
	Turnover per employee	Rs. Millions	25.16	22.58	18.90	20.00	17.08
	Employee engagement score	Index	4.3	4.2	4.2	4.2	4.06
	female employees in decision making roles	Number	64	59	54	50	43
ිරි	Social & Relationship Capital						
G	Customer satisfaction index	%	91.2	91	89	90	89
	Number of strategic relationships with foreign principals	Number	116	118	116	94	86
	Investment in social progress	Rs. million	62	31	17	24	22
0.0			-	•	-	-	
	Intellectual Capital						
00	Being recognised as a Great Place to Work	Status	Yes	Yes	Yes	Yes	Yes
	Recognition for corporate reporting by external bodies	Status	Yes	Yes	Yes	Yes	Yes
	Obtaining ISO accreditation for QMS and EMS	Status	Yes	Yes	Yes	Yes	Yes
					_	_	
	Natural Capital						
	Total water consumption to generate Rs. 1 million revenue	m3	1.49	1.6	1.44	2.62	3.13
	Total energy consumption to generate Rs. 1 million revenue	GJ	0.36	1.18	1.21	1.52	1.47
	Renewable energy generation	GJ	17,431	11,605	11,415	11,739	10,734

Table 21: Management Approach Alignment to Strategy

Capital	Diversification	Differentiation	Collaboration
Financial	Financial capital is allocated strategically, on diversification initiatives, securing future revenue streams against potential risks and unlocking future growth opportunities.	Financial Capital is allocated on differentiation strategy driven by marketing efforts to enhance and enrich customer experience and Brand equity, securing competitive advantage for gains in terms of enhancing financial and other Capitals.	Collaboration strategy is built on relationship and intellectual capital. Financial capital allocation depends on the nature of collaboration with value creation expected in the short, medium, and long term. Whilst Financial Capital can enhance collaboration, it is not the key requirement for the pillar.
Manufactured	Manufactured capital is key to diversification, supported by financial capital to enhance infrastructure through investments and acquisitions.	Manufactured Capital helps in differentiation in terms of efficiencies, reach and customer experience created using infrastructure and technology.	Manufactured capital promotes collaboration in terms of Compliance to safety and quality standards by Principals and in terms of comfort and reach made available to customers and employees.
Human	Human Capital enables successful diversification through specialized talent, occasionally necessitating trade-offs with financial capital.	The differentiation strategy requires a mix of new and experienced human capital to create innovative marketing strategies, processes, and procedures.	The collaboration strategy depends on human capital, with its success largely driven by the individuals involved, impacted by the skills, knowledge and traits.
Social & Relationship	Success of Diversification is impacted by relationship capital to establish and maintain partnerships for new ventures through strong connections.	Social and relationship capital, if effectively nurtured and utilised, can create a long-term impact on differentiation strategy.	Enhanced social and relationship capital is critical to the success of collaboration, serving as its foundational element.
Intellectual	Enhanced intellectual capital serves as a strength in diversification strategy and is essential for maximizing synergies through diversification.	In differentiation, the expertise and knowledge of employees translate strategic goals into action, generating value and strengthening both human and financial capital in the short to medium term.	In collaboration, intellectual capital is a core value driver, with financial, social & relationship, and human capital acting as key enablers of value creation across all time horizons.
Natural	While natural capital might not be the primary driver for initiating diversification The importance of Natural Capital in diversification depends largely on the type of venture. However, the need for preserving natural capital encourages diversification, when focussed on sustainability.	Natural capital, including land and water, is primarily required in agriculture, whereas vehicle aftersales operations demand only moderate levels. Although essential for functionality, these resources generally do not serve as key differentiators within these sectors.	DIMO may occasionally utilise natural capital, such as land, to support new partnerships under its collaboration strategy. However, there are no current plans to pursue this approach.

FINANCIAL CAPITAL

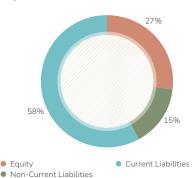
Financial Capital is more than a resource. It is the enabler to innovate, grow and create long-term stakeholder value. Thus, its efficient management is key to success of DIMO.



Our disciplined financial stewardship, capital allocation efficiency, and focus on sustainable returns have helped us navigate a complex macroeconomic environment and strengthen the Group's resilience. Throughout the year, one of our primary focus areas was safeguarding our financial strength by securing financial resources to sustain uninterrupted operations, and by ensuring the maintenance of healthy liquidity levels.

This section provides an analysis of the key metrics of financial capital, encompassing both their qualitative and quantitative aspects. A few financial highlights are given below.

Graph 08: Capital Allocation Profile



Total Equity

Rs. **15,438** Mn (2023/24: 16,849 Mn)

Stated Capital

Rs. **621** Mn (2023/24: Rs. 621 Mn)

General Reserves & Retained Earnings

Rs. **7,191** Mn (2023/24: Rs.8,680 Mn)

Short Term Borrowings

Rs. **24,549** Mn (2023/2024: Rs. 19.529 Mn)

Long-Term Debt

Rs. **3,374** Mn

Ended the year with a net cash position

Rs. **2,915** Mn (2023/24: 3,384 Mn)

Earnings before interest, tax, depreciation & amortization

Rs. **1,415** Mn (2023/24: Rs. 3,810 Mn)

Asset Growth Rate

16% (2023/24: 19%)

The financial ratios disclosed on page 310 provide more financial ratios.

Key Focus Areas



Optimizing Capital Structure

Optimizing the capital structure is a priority as the company is on a phase where additional capital required for investments and for working capital. Therefore, a desirable mix of equity, long term debt and short-term borrowing is envisaged.



Strengthening avenues to raising capital

Given the plans for related diversification, it envisaged that long term debt to match the returns will be required. Therefore, the group seeks various sources of funding including long term debt and foreign borrowing accompanied by forex exposure management.



Relationship with Capital Providers

We maintain transparent and consistent relationships with capital providers through regular updates and strong governance, fostering trust and long-term access to stable funding.



Efficient Management of Financial Capital

Prudent financial capital management remained a priority amid market volatility, with strengthened cash flow monitoring, tighter working capital controls, and rigorous investment evaluations enhancing liquidity, cost efficiency, and overall financial resilience.



Table 22: Identification and Mitigation of Risks of Financial Capital

Risk	Mitigation Strategy
Fluctuations in interest rates	 All clusters consistently follow up on debtors and inventory to minimize the need for working capital funding.
	 Business units are encouraged to prioritize cash- based sales, resorting to credit sales where necessary.
	 Maintain an appropriate combination of fixed and floating rate borrowings.
Ensuring Liquidity	 Enhanced emphasis on improving cash collection and inventory management. Negotiate favourable credit terms with suppliers.
Non-availability of funds for growth and expansion	 Credit lines are secured on long-term basis to fund and match investments and their returns. Temporary burden of investments on DIMO cash flows is always evaluated prior to giving the "go" decisions for new investments.
Changes in taxes and tariff	 Strategic adjustments such as pricing adjustments, cost management, operation efficiency and customer communication to manage the impact to the business.

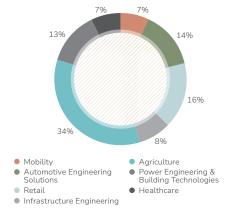
Group's Financial Results -Nurturing Financial Capital

Amidst a challenging operating environment, including regulatory restrictions on one of the Group's key business lines—automobile sales—the Group sustained operations across its diversified portfolio and preserved core business continuity. While overall profitability was impacted, this performance reflects the underlying strength and adaptability of our business model and robustness of our operations.

Revenue

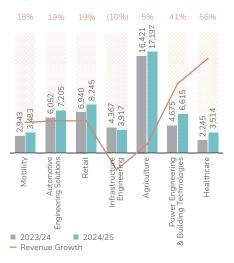
During the year, the Group recorded a revenue of Rs. 50,175 million (2023/24: Rs. 43,644 million), generated through seven business segments. Revenue contribution by each business segment is and revenue generated by each business segment are shown in Graph 09 & Graph 10 respectively.

Graph 09: Segmental Revenue Contribution



FINANCIAL CAPITAL

Graph 10: Segment Revenue (Rs. million)



- The Group achieved an overall revenue growth of 15% (from Rs. 43,644 million to Rs. 50,176 million), driven primarily by Healthcare (+56%), Power Engineering & Building Technologies (+41%), and Automotive Engineering Solutions (+19%). These high-growth segments highlight the success of recent strategic investments and evolving market demand.
- · Infrastructure Engineering reported a revenue decline of 10%, making it the only segment with negative growth in revenue.
- Agriculture and Mobility, historically mature segments, posted moderate yet positive growth rates of 5% and 18% respectively. This indicates stability and resilience, particularly in sectors sensitive to consumer and rural market dynamics, while still contributing significantly to total revenue.

Table 23 summarizes the revenue and asset growth across our key business segments, reflecting diverse performance dynamics and capital allocation trends within the Group during the year under review.

Table 23: Segment Revenue

Segment	Revenue Growth	Asset Growth
Mobility	18%	74%
Automotive Engineering Solutions	19%	18%
Retail	19%	9%
Infrastructure Engineering	-10%	34%
Agriculture	5%	-12%
Power Engineering & Building Technologies	41%	84%
Healthcare	56%	63%

The company started importation of commercial vehicles after lifting of import restrictions on vehicle imports. Thus, increased in vehicle stocks in mobility segment.

Power engineering and building technologies segment's assets were increased mainly due to installations of solar power plants expanding its presence in renewable energy market and the sustainable energy solutions.

Fluid management projects carried out during the year were impacted an increase in assets in infrastructure engineering.

Strategies identified for Revenue Growth

The Group's strategies for medium to long-term growth in revenue and profits are presented in our Purpose Driven Strategy section on pages 22 to 30.

Gross Profit & Operating Expenses

The Group recorded a Gross Profit of Rs. 11,394 million in 2024/25 compared to Rs. 11,914 million in the previous year, reflecting a marginal decline despite a notable growth in revenue. The Gross Profit Margin reduced from 27% to 23% year-over-year, primarily due to increased cost pressures and a product mix that yielded lower margins. Unlike the previous year, where pricing strategies partially offset the impact of exchange rate

fluctuations, the current year saw reduced flexibility in passing cost escalations to the market. Amid these pressures, the Group maintained its strategic focus on margin quality across its diversified portfolio.

The Group incurred operating expenses amounting to Rs. 11,195 million in 2024/25 (2023/24: Rs. 9,404 million), representing approximately 98% of the total Gross Profit for the year. This increase reflects the continued investment in strategic initiatives and inflationary cost pressures impacting administrative and distribution functions.

Group's Gross Profit and Operating Expenses over the last five years are given in Graph 11.

Graph 11: Gross Profit vs Operating Expenses (Rs. million)



- Operating Expenses

The management continuously strives to identify the ways of optimizing resource allocation. A dedicated centralized supply chain unit is in place to secure procurement and supply chain efficiencies to defend Gross Profit margins. The Management continues to prioritise cost discipline through rigorous expense control, process streamlining, targeted productivity improvements. The Group is also accelerating its digital transformation agenda, aiming to achieve long-term operational efficiency and sustainable cost advantages, while reinforcing its commitment to delivering enhanced stakeholder value.

Finance Expenses (Net)

The Group's net finance expenses decreased by 12% to Rs. 2,600 million (2023/24: Rs.2,934 million) during the year, compared to the previous financial year.

One of the reasons for the decrease in net finance expense was the 11% decrease of interest expenses on short-term and long-term borrowings to Rs. 2,600 million (2023/24: Rs. 2,866 million). The Monetary Policy of the Central Bank of Sri Lanka caused the AWPLR to fall from 10.56% at the beginning of the financial year to 8.53% at the end of the financial year.

The Group incurred a net foreign exchange loss of Rs. 77.3 million for the year ended 31 March 2025 (2023/24: Rs. 1.3 million gain), primarily due to the marginal depreciation of the US Dollar against the Sri Lankan Rupee during the year. According to the selling rates published by the Central Bank of Sri Lanka, the US Dollar was quoted at Rs. 305.10 at the beginning of the financial year and Rs. 300.58 at the end of the financial year.

The slight strengthening of the Rupee contributed to reduce the impact from the foreign exchange loss. In light of

continued exchange rate volatility, the Group continued its practice of regularly reviewing and adjusting pricing mechanisms, aiming to minimize exposure and partially recover such forex losses through timely commercial interventions.

Taxation

DIMO has always believed and owned up to the responsibility of paying due taxes as a responsible corporate citizen contributing the nations development. For the year under review, the Group recorded an income tax loss of Rs. 640 million (2023/24: Rs. 91 million expense).

The reconciliation between accounting profit and taxable income is available in Note 4.6.3 to the Financial Statements. A summarised computation of deferred tax is provided in Note 4.26 to the Financial Statements.

Profitability

The loss before tax stood at Rs. 1,948 million (2023/24: Rs. 183 million - profit) for the year under review. This significant reversal was primarily driven by compressed margins, increased operating expenses, and a challenging macroeconomic environment, which impacted overall profitability.

The loss after tax too decreased to Rs. 1,308 million from Rs. 93 million profit in the previous year.

The movement of the Groups' Gross profit margin and Net profit (before tax) margin over the last five years is depicted in Graph 12.

Graph 12: Gross Profit vs Net Profit (%)

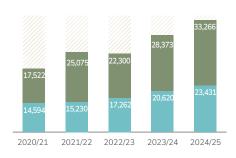


Group's Financial Position

The Group was able to maintain a desirable financial position with a total asset base of Rs. 56,703 million and total liabilities amounting to Rs. 41,265 million as at 31st March 2025. (Rs. 48,993 million total assets and Rs. 32,144 total liabilities as at 31st March 2024).

The summary of the Group's financial position is illustrated in Graphs 13 and 14.

Graph 13: Total Assets (Rs. million)



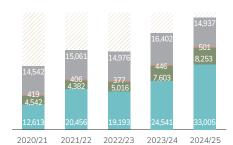
■ Total non-current assets

■ Total current assets



FINANCIAL CAPITAL

Graph 14: Total Liabilities and Equity (Rs. million)



- Total Current Laibilities
- Total Non- Current Liabilities
- Non-Controling Interest
- Equity Attributable to owners of the Company

Efficient and disciplined management of monetised assets—including property, plant and equipment, inventory, receivables, and cash equivalents—is essential to optimising both profitability and liquidity.

As depicted in Graph 14, the Group's Non-Current Assets increased by 14% to Rs. 23,431 million (as at 31st March 2024: Rs.20,620 million) mainly due to investments in renewable energy plants.

The Group's total current assets increased by 17% to Rs. 33,266 million as at 31 March 2025 (2023/24: Rs. 28,373 million), primarily driven by higher balances in Trade and Other Receivables and Other Current Asset. This contributed to a 17% year-on-year growth in total assets (2023/24: 24% increase).

The Board, in collaboration with the management, continues to closely monitor the Group's cash position to ensure adequate liquidity for operational and strategic requirements. A dedicated treasury function is in place to secure funding and ensure the efficient deployment of financial resources across the Group.

Liquidity Management and Working Capital

Effective liquidity management remains a cornerstone of the Group's financial stability. Liquidity risk is prudently managed through strategic alignment of debt maturities, receivables, cash flow forecasts, and operational funding requirements. Capital investments, including acquisitions of Property, Plant, and Equipment, are typically financed via dedicated medium to long-term funding arrangements.

To ensure flexibility and resilience, the Group maintains a diversified funding base, supported by significant undrawn committed bank facilities and healthy cash reserves. These resources provide the capacity to meet immediate funding needs and support short to medium-term liquidity requirements.

Maintaining a healthy current ratio and quick asset ratio continues to be a key focus in the Group's liquidity management strategy. As illustrated in Graph 15, the Group recorded a current ratio of 1.01 times and a quick ratio of 0.69 times as at 31 March 2025, reflecting its commitment to preserving short-term financial stability.

Graph 15: Liquidity Ratios



The Group's net current assets declined by Rs. 261 million during the year compared an increase of Rs. 3,832 during the previous year. The current assets led by trade and other receivables increased by 17% whist the current liabilities led by short term borrowings and trade payables increased by 34%.

The details on the Group's liquidity movements are available in the Consolidated Statement of Cash Flows on page 218.

The Group's average cash conversion cycle improved to 146 days for the financial year 2024/25, compared to 171 days in 2023/24, reflecting enhanced working capital efficiency. This improvement was driven by focused efforts on optimising inventory levels—particularly addressing slow-moving stock—and strengthening debtor collection processes. In parallel, the Group continues to engage in active negotiations with suppliers to secure more favourable payment terms, further supporting liquidity management.

The cash conversion cycle is primarily funded through short-term borrowings, ensuring uninterrupted operational flow. As at 31 March 2025, the Group maintained unutilised committed banking facilities of Rs. 11,822 million (31 March 2024: Rs. 6,340 million), providing a strong liquidity buffer to support short- to medium-term funding needs.

Cash Flow

The Group Treasury plays a pivotal role in safeguarding and optimizing the organization's liquidity position through proactive and strategic cash flow management. By continuously monitoring financial activities and market dynamics, the treasury ensures prudent allocation and efficient utilization of funds. Its approach focuses on enhancing liquidity, mitigating financial risks, and strengthening the Group's financial resilience in a dynamic economic environment.

As at 31 March 2025, the Group's cash and cash equivalents stood at Rs. 2,914 million, compared to Rs. 3,384 million in the previous year. This balance includes cash in hand, bank balances, and term deposits with original maturities of three months or less, net of outstanding bank overdrafts

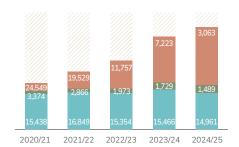
Net cash flow from operating activities recorded an outflow of Rs. 3,719 million for the year ended 31 March 2025, primarily due to the increase in trade and other receivables. This compares to an outflow of Rs. 5,968 million in the previous financial year (2023/24).

Net cash flow from financing activities reflected an inflow of Rs. 5,577 million for the year ended 31 March 2025, primarily attributable to an increase in short-term borrowings. This compares to an inflow of Rs. 8,194 million in the previous financial year (2023/24).

Capital Structure

Graph 16 clearly depicts the year-on-year equity, long term debt and short-term debt.

Graph 16: Capital Structure (Rs. million)



- Total Current Laibilities
- Total Non- Current Liabilities
- Non-Controling Interest
- Equity Attributable to owners of the Company

Shareholder value creation through financial capital is discussed on page 159 to 164 in the "Investor Relation" section of the Annual Report.

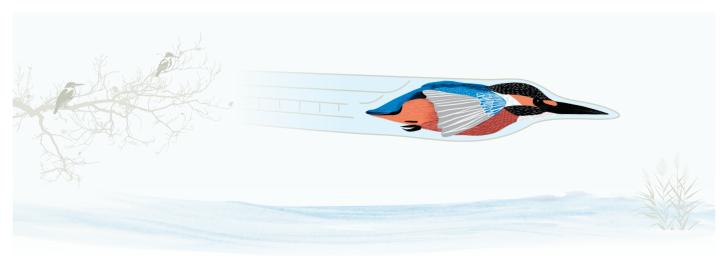
Stock Market Performance Highlights

The market performance of Diesel & Motor Engineering PLC's share demonstrated strong growth during the financial year ended 31 March 2025. The share price reached a high of Rs. 1,288.00 on 15 January 2025 and traded within a range of Rs. 900.25 to Rs. 1,288.00 during the year. The closing price as at 31 March 2025 was Rs. 920.75, representing a substantial increase compared to Rs. 513.25 at the end of the previous financial year. Market capitalisation as of 31 March 2025 was Rs. 8,500 million.

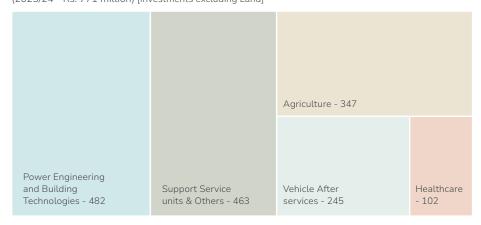


MANUFACTURED CAPITAL

Property, Plant and Equipment including rented and leased premises across the island, excluding land.



Graph 17: Investment in capital expenditure during the year (Rs. 1,639 million) (2023/24 - Rs. 771 million) [Investments excluding Land]



Graph 18:
PPE by Type of Assets
(Excluding Land)

263 86

2,661

2023/24

2024/25

Buildings
Plant & Machinery
Tools & implements

• Electrical & Other Office Equipment

Graph 19:
Our Locations

No. of Manufacturing and Assembly facilities

2023/24

2024/25

Colombo
Gampaha
Puttalam

The Infrastructure Behind Our Impact

DIMO's manufactured capital includes an extensive network of vehicle service workshops, advanced manufacturing facilities, cutting-edge technologies, and other physical assets spread across the island. These assets empower us to produce sustainable products, enhance customer-centric service delivery, strengthen strategic partner confidence, cultivate employee-friendly workplaces and reinforce Brand equity.

Built for Impact: How Our Assets Power Growth

In alignment with DIMO's long-term vision for value creation, the Group continued to approach manufactured capital with a positive investment mindset, focused on strengthening growth potential within key business segments.

The scale and quality of our manufactured capital are integral to our strategic progress and value delivery. At DIMO, we focus on making optimum use of the available assets, redirecting the use of any assets that are not generating the expected outcomes and continuous investment to strengthen our physical asset base.

Ongoing investments to upgrade our manufacturing capabilities allow us to differentiate in the marketplace by providing access to high-quality, sustainable solutions for customers. We remain committed to enhancing our vehicle service workshops and branch network island-wide, aiming to deliver an unmatched customer experience. Through the strategic use of our physical infrastructure, we also seek to expand our customer base and unlock new growth opportunities.

Key Areas of Focus



Investments in physical infrastructure



Investment in capacity expansions



Investments in increasing manufacturing



Investments in sustainable energy sources



Investments in physical infrastructure

Laying the Foundation for Tomorrow

The Group continues to allocate resources to expand and improve the quality and scope of its physical infrastructure throughout the island. These efforts are intended to elevate service standards and enhance workplace environments. In FY 2024/25, the Group invested approximately LKR 239 million in infrastructure development.

Our network of branches and workshops contributes significantly to widening our customer reach and boosting brand visibility. These facilities are outfitted with stateof-the-art machinery and technology to deliver superior service, placing DIMO ahead of the competition. The state-of-the-art DIMO 800 Mercedes-Benz workshop and office complex is a hallmark of the group's investments that has significantly reinforced our brand image.

Table 24: Infrastructure Additions by Segment

Segment	Investment Details	Value (Rs. Mn)
Automotive	Investments in Balagolla branch	23Mn
Engineering Solutions	Investments in Marawila Branch	8Mn
	Investment in Matara workshop refurbishment	36Mn
	Workshop Chassis section - Siyambalpe	10Mn
Agriculture	Investment in Lenadora Cabanas	10Mn
	Investment in Agri Experience center	53Mn
Others	Other building improvments	99Mn

Total owned building area

874,574 sq. ft.

(2023/24: 857,163 sq. ft.)

No. of owned buildings

(2023/24: 39)

Overseas asset base

Rs. 153 Mn (2023/24: Rs. 143 Mn)

Marawila Branch Investment

To enhance DIMO's brand presence and improve accessibility for customers, a new branch was established in Marawila with an investment of Rs. 8 million. This location will support sales and after-sales services for TATA vehicles and agri machinery. Additionally, it offers a broad product selection, including WD-40, DIMO LUMIN bulbs, and Black & Decker appliances - creating a comprehensive one-stop solution for customers.

MANUFACTURED CAPITAL

Investment in capacity expansions

From Capacity to Capability

The group's dominant position in the market is strengthened by its sophisticated manufacturing capabilities. During the year we began commercial operations of COCOCARB and COCOFRESH, marking a game-changing milestone for DIMO as a manufacturer of activated carbon and coconut milk. Our agri-fertilizer value addition plant at Sapugaskanda, coconut oil production plant at Minuwangoda, and fruit and vegetable-based product processing plant at Kurunegala are also a testament to our increasing focus on building our manufacturing capabilities to drive value generation. Approximately 20% of the group's revenue in FY 2024/25 was derived from manufacturing activities. This represents a 25% increase from the previous year, clearly indicating the vital role it plays in the group's value creation process and the management's reliance on it as a contributor to long-term success.



Total Investment in Capacity Expansion: Rs. 140 Mn (excluding land cost)

Agriculture

Coconut Milk processing factory

Rs. 26 Mn

New Fertilizer warehouse premises

Rs. **80** Mn

Investment in machinery & equipment in Virgin coconut oil production plant

Rs. 7 Mn

Automotive Engineering Solutions

Investment in Steel Warehouse

Rs. **22** Mn

Central Warehousing unit

Oil storage -Weliweriya

Rs. 5 Mn

Investments in increasing manufacturing efficiencies

Engineering Efficiency for a Competitive Tomorrow

DIMO has evolved significantly, transitioning from a company known for automobile sales and service to a key player in the agriculture sector. This shift has been supported by a long-standing commitment to diversification and continuous investment in manufacturing efficiency.

In FY 2024/25, DIMO allocated approximately Rs. 145 million towards acquiring advanced technologies and equipment designed to optimize manufacturing operations. These upgrades aim to maximize resource use, minimize waste, and boost overall productivity supporting our strategy to stand out through a unique product portfolio.

Agriculture

New Fertilizer blending machine

Rs. **85** Mn

Fertilizer bagging & stitching machine

Rs. **21** Mn

Semi-Automatic Granule filling machine

Rs. 4 Mn

Waste water treatment plant

Rs. **35** Mn



Investments in sustainable energy sources

From Fossil to Future: Our Renewable Energy Journey

In line with our commitment to environmental stewardship and long-term resilience, we continue to invest in sustainable energy solutions that reduce our carbon footprint and support a cleaner, greener future. During the year the Group invested Rs. 462Mn in total on Solar power generation.

As part of the Group's commitment towards the development of ground-mounted solar power projects, one plant (Beliatte) with a capacity of 2 MW (Investment value 295Mn) commenced operations and was successfully connected to the national grid in February 2025.

Roof top solar systems

Beliatta Solar Plant - 2 MW Rs. 295 Mn

Table 25: Risks and Responses Related to Manufactured Capital

Risks	Impact to Business	Mi	itigation Actions
Rising costs of acquisition, maintenance, and rentals	Inflationary pressures may drive up costs for acquiring and maintaining physical assets, affecting profitability and limiting funds for reinvestment.		Prioritize investments based on strategic needs; centralize vendor negotiations to increase bargaining power.
Risk of asset loss or damage (theft, disasters)	Physical asset loss could disrupt operations and negatively affect earnings.	•	Maintain comprehensive property insurance to safeguard assets.
3. Technological obsolescence of purchased machinery, earlier than expected	Company may fail to achieve the expected ROI due to obsolescence.	•	Perform in-depth technical evaluations and review potential risks prior to selection.

Looking Ahead

As DIMO continues its journey of long-term value creation, we will maintain a sharp focus on strengthening our manufacturing capabilities. These efforts will allow us to deliver high-quality products to both local and international markets. The following actions have been identified to guide our progress:

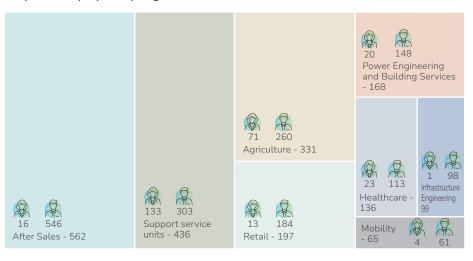




Our skilled tribe, whose expertise, dedication, and passion foster a culture of excellence



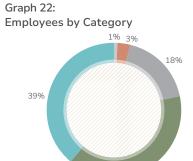
Graph 21: Employees by Segment





Our People as at 31 March 2025 **1,994**

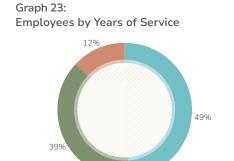
2023/24:1,933



Senior Management
Middle Management
Executive

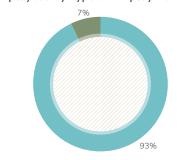
Non Executives

Directors



Less than 5 YearsAbove 15 Years5 - 15 Years





Permanent Employees
 Contract staff

More Than a Workforce: Our Tribe of Changemakers

At DIMO, our talented and capable workforce plays a crucial role in turning our purpose into real value. Their unique skills, deep expertise, and unwavering commitment set us apart in the marketplace and contribute significantly to our long-term sustainability.

Empowering Strategy Through Our People

Our people are the driving force behind our success. A motivated and engaged team is vital to achieving our strategic ambitions. We are deeply committed to cultivating a collaborative and empowering workplace where every team member experiences a rewarding journey. Our corporate values connect employees to our broader vision and guide the execution of our long-term business strategy. We support our team -our "tribe" - to unlock their full potential and deliver innovative solutions that fulfill our brand promise. The rebranded agri fertilizer range introduced for vegetable farming, process improvements done at Weliweriya logistics center and our digitalization initiatives exemplify our commitment to employee-driven innovation.



Our talent management framework spans the entire employee lifecycle from hiring to exit and is focused on attracting toptier talent, fostering their growth, and retaining high performers. Anchored in our employee value proposition 'ACE', we see every team member as a key driver of our value creation journey. The model focuses on 'Alignment, Capability building and Engagement' as the key spheres of employee value creation. Our respectful, engaging, and inclusive work culture has made us one of the most sought-after private sector employers of the country.

Alignment – 'Our workforce lives by it'

'Alignment' is a cornerstone of DIMO's employee value proposition, ensuring that our people, culture, and systems are purposefully connected to the organization's long-term vision and mission. It involves creating a strong sense of shared direction, where employees clearly understand how their roles contribute to the broader strategic goals. This alignment extends beyond individual contributions to encompass our organizational culture, which is intentionally shaped to support the achievement of business objectives. Key HR practices - including talent acquisition, performance management, compensation and benefits, governance and diversity and inclusion - are all designed to reflect and reinforce this vision. By embedding alignment into every facet of the employee experience, DIMO cultivates a workforce that not only performs with purpose but also lives the organization's values in action.

'Alignment' becomes especially critical during periods of change, such as DIMO's digital transformation journey. As new systems, technologies, and ways of working are introduced, ensuring that employees are aligned with the evolving strategic direction enables smoother transitions and greater adaptability. It helps reduce resistance to change, enhances engagement, and ensures

that digital initiatives are embraced and implemented effectively. In this way, alignment acts as both a cultural anchor and a strategic driver, empowering our people to move forward confidently in a rapidly transforming business landscape.

Talent Acquisition and retention

Talent acquisition, retention, and succession planning form the foundation of our talent management approach. Our commitment to securing top talent begins with a recruitment process that seeks individuals who not only bring the right skills but also align with our organizational values. The alignment between our talent acquisition and retention strategies with broader organizational vision and mission ensures that we have the right 'Tribe' to drive our journey.

Composition of New Recruits		
By Gender	No.	
Male	363	
Female	73	
Total	436	
By Age Group	No.	
Less than 30 years	276	
30 - 50 Years	144	
> 50 Years	16	
	436	
By Age Group	No.	
Automotive Engineering		
Solutions	97	
Agriculture	77	
Mobility	20	
Healthcare	36	
***************************************	23	
Infrastructure Engineering		
Infrastructure Engineering Power Engineering and		
	56	
Power Engineering and	56 43	
Power Engineering and Building Technologies		
Power Engineering and Building Technologies Retail	43	
Power Engineering and Building Technologies Retail Transport solutions	43 6	
Power Engineering and Building Technologies Retail Transport solutions Education	43 6 3	

HUMAN CAPITAL

HR Governance

Our HR policies are carefully aligned with both local and international standards, covering all essential elements of our HR strategy. These policies uphold our ethical culture and reinforce our employee value proposition. In addition to full compliance with national labor laws, DIMO enforces the following internal policies to ensure a secure and respectful work environment:

- Human Resource Policy
- Harassment, Bullying & Retaliation Policy
- Whistle blowing Policy
- Code of Business Ethics
- Grievance Handling Policy
- Subscription Policy
- Human Rights Policy
- Trainee Policy
- United Death Donation Policy
- Recruitment and Selection Policy

Compensation, Benefits, and Recognition

We believe a transparent and competitive remuneration strategy is vital to attracting and retaining top talent. Our performance-based culture ensures employees are rewarded fairly, maintaining both internal consistency and external competitiveness.

Total payments to employees

Rs. **6,253** Mn

(2023/24: Rs. 4,561 Mn - 37% 🔷)

Employees promoted during the year

122 (2023/24: 93)

96





26

Internal vacancies filled

77

(2023/24: 163)

67

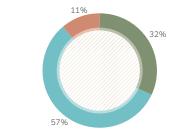


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Diversity and Inclusion

We embrace workforce diversity and aim to create an inclusive environment where equal opportunity is a standard. Diversity fuels innovation, and we leverage this strength across the organization. We uphold a zero-tolerance policy toward discrimination and ensure equal treatment for all, regardless of race, religion, gender, disability, sexual orientation, or political belief. An independent external antiharassment helpline further supports our commitment to workplace safety and dignity.

Graph 25: Employees by Age Group



- Below 30 (2023/24 28%)
- Between 30 50 (2023/24 63%)
- Above 50 (2023/24 9%)

Gender inclusivity and empowering women

Although our technical roles are maledominated due to the nature of our industry, we are actively working to break gender barriers by hiring more women in mechatronics and increasing their participation in leadership roles.

Female workforce representation

281 (2024/25)



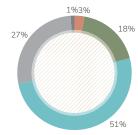
272

No. of Employees who took Maternity leave (2023/24 - 2)

No. of Employees returned to work after Maternity leave (2023/24 - 2)

No. of resignations within 12 months of returning after Maternity leave (2023/24 - 2)

Graph 26: Female participation by designation category



- Senior ManagementMiddle Management
- Non ExecutivesDirectors
- Executive

"Powerfully You" Women Leadership Development Program –

DIMO launched its first ever women leadership development program named 'Powerfully You' in FY 2022/23, specifically curated to address the barriers that women should overcome to pursue their ambitions in leadership and management roles. The Program is carefully crafted with coaching sessions, trainings and mentoring, enabling our women to uplift themselves challenging the stereotypical ideas of women.





Capability Building – 'upskilling our talent to deliver the alignment we desire'

'Capability Building' is a vital element of DIMO's employee value proposition, focused on developing a future-ready workforce equipped to deliver on our strategic alignment goals. It involves the seamless integration of talent attraction, acquisition, and retention strategies to ensure we not only bring in the right people but also cultivate and grow their potential. A strong employee brand plays a key role in this process, helping position DIMO as an employer of choice that attracts top-tier talent aligned with our values and vision. Capability building can be achieved through two key pathways: acquiring external talent or nurturing capabilities internally through learning and development. Whether through strategic hiring or upskilling our existing team, our goal remains the same—to build a resilient, high-performing workforce that drives innovation and long-term value creation.

Training and Development

We place great importance on continuous learning and capability development. Each year, training needs are assessed and addressed through customized programs that develop technical skills, leadership competencies, and customer experience excellence. Our blended learning approach includes classroom sessions, e-learning, microlearning, and gamified modules.

Total training investment

Rs. 13 Mn (2023/24: Rs. 24 Mn)

Avg. training cost per employee

Rs. 23,728 (2023/24: Rs. 17,030)

Avg. training hours per employee

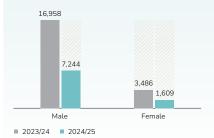


16.06 (2023/24 - 14.63)



15.32 (2023/24 - 12.63)

Gender Wise Training Participation (Hours)



Engagement - 'Getting people involved'

'Engagement' is a core element of DIMO's employee value proposition, centred on building emotional connection and commitment between employees and the organization. It involves fostering a deep sense of involvement with our vision, day-to-day work, customers, and fellow team members. At DIMO, we believe that true engagement goes beyond surfacelevel satisfaction - it's about creating an environment where people feel genuinely valued and inspired. This emotional bond is strengthened through fairness, consistent recognition, and meaningful reward systems that acknowledge individual and team contributions. By nurturing intrinsic

motivation, we empower our employees to bring their best selves to work, take ownership of their roles, and drive our shared purpose forward.

Our engagement strategy is focused on creating a fulfilling employee experience across every stage of the work journey. We ensure access to essential workplace facilities, recognize employee contributions, and foster an ethical, inclusive culture. Celebrations of religious, cultural, and recreational events are organized to boost morale and encourage camaraderie. Engagement levels are measured regularly to refine our efforts.

Overall Employee Engagement Score

(2023/24: 4.2)

Employee Voice

We are committed to maintaining an inclusive environment where employee feedback is valued and acted upon. Employees can share suggestions, raise concerns, and offer feedback through various forums such as monthly Employee Councils, HR clinics, and regular surveys.

HR Clinics conducted

(2023/24 - 8)

Surveys conducted

(2023/24 - 4)

Employee Council meetings

(2023/24 - 12)

HUMAN CAPITAL

Employee Health, Safety & Welfare

We prioritize holistic employee well-being - covering physical, psychological, and financial aspects - through a robust governance framework. Comprehensive safety protocols are in place to prevent workplace injuries. Regular hazard audits and monthly safety meetings are conducted, with prompt corrective action. Staff receive training in first aid, firefighting, and emergency preparedness. Medical centres at key locations, along with access to free medical consultations, ensure timely care.

Table 26: Health & Safety Records

Category	2024/25	2023/24
Injuries	11	12
Occupational Diseases	1	NIL
Lost Working Days	72.5	168
Work-related Fatalities	NIL	NIL

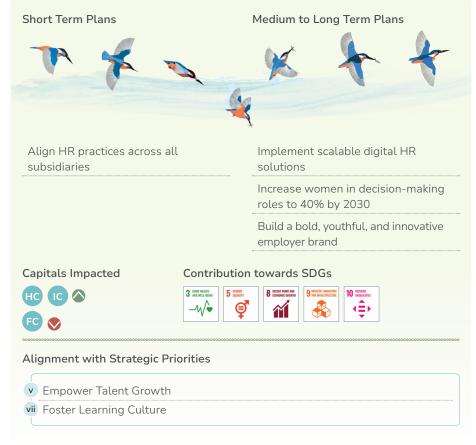


Table 27: Human Capital - Risks and Responses

Risks	Impact to Business	Mitigation Actions
1. Staff Attrition	Ongoing economic instability led to a talent drain, with skilled professionals migrating. While DIMO also faced attrition, the critical talent loss remained low.	Offer market-competitive compensation and internal growth opportunities.
2. Change Management	The rollout of the DIMO Digital transformation journey required a mindset shift and process reengineering.	Continuous training to align employees with new systems and goals.

Looking Ahead

To remain future-ready, we must navigate a fast-evolving business environment with agility. Empowering our people with the right skills, embracing digital HR solutions, and advancing gender equity are central to our strategy to be recognized as a dynamic, innovative employer of choice.

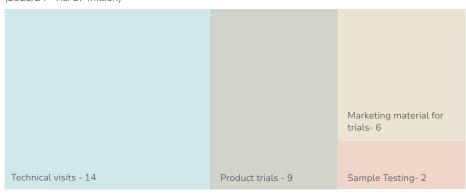


INTELLECTUAL CAPITAL

Our core expertise, skills, and capabilities enrooted in our business model and operational practices

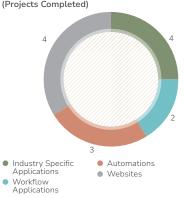


Graph 28: Investment for Research & Development during the year (Rs. 31 million) (2023/24 - Rs. 27 million)

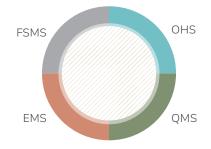




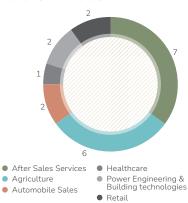
Graph 29: Our Digitalization Efforts (Projects Completed)



Graph 30: Type of Certifications



Graph 31: No. of Own Brands



INTELLECTUAL CAPITAL

The Hidden Engine Driving DIMO Forward

Brains over bricks—our biggest investment in the last two years has been in the technology, knowledge, systems, and skills that drive DIMO forward.

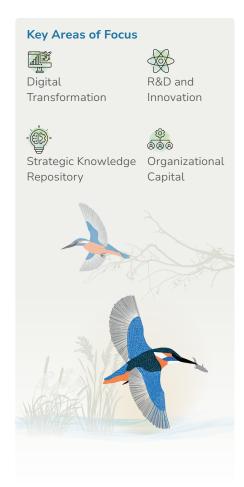
DIMO's intellectual capital is the behind-the-scenes catalyst that differentiates us from the competition and drives our sustainable growth. It is comprised of a wealth of organizational knowledge and expertise, historical business intelligence, robust operational systems, digital capabilities, brand equity, innovation culture, and strategic partnerships. This dynamic blend of strengths embedded in our people, systems, and culture empowers us to anticipate change, adapt with agility, and continuously deliver value to all our stakeholders.

Harnessing Intellectual Capital to Create Enduring Value

Our ability to create value and pursue strategic objectives is strongly anchored in the strength of our intellectual capital. To cater to evolving business dynamics, digitalization has emerged as a key strategic focus area of our future growth strategy. We have embarked on a comprehensive digital transformation journey designed to leverage cutting-edge technologies and foster a digital-first culture across the organization, with the aim of enhancing operational efficiency, driving business growth, and delivering superior customer experiences throughout our business segments. Our legacy of eight decades has enabled us to establish enduring strategic partnerships with key customers. Our extensive historical knowledge of customers, business partners, the industry, and competitors empowers data-driven decision-making across the organization. Guided by our strategic priorities, our innovation capability continues to strengthen our ability to ensure long-term stability and resilience.

Table 28: Intellectual Capital: Components of DIMO's Intellectual Capital

Components of DIMO's Intellectual Capital		Contribution to Value Creation
Organizational Knowledge	85 years of accumulated expertise, institutional memory, and industry insight	Enlightens strategic decision-making and operational excellence
Operational Systems	Refined procedures and business processes tailored to our industry	Ensures efficiency, consistency, and scalability
Strategic Knowledge Repository	Our wealth of knowledge about our customers, products, business partners and competitors, gathered over 8 decades	Empowering data-driven decision making
Digital Capabilities	Investment in digital tools, data analytics, and automation	Enables agility, innovation, and enhanced customer engagement
Brand Equity	Strong brand reputation built on trust, performance, and reliability	Reinforces stakeholder confidence and competitive positioning
Innovation Culture	Organizational mindset focused on continuous improvement and problem-solving	Supports product evolution and future readiness



Driving Tomorrow: DIMO's Digital Future

DIMO's digital transformation strategy is a testament to our commitment to innovation, efficiency, and customer-centricity. By embracing digital technologies and fostering a culture of continuous improvement, we are well-positioned to navigate the challenges of the digital age and achieve sustainable growth. Our digitalization initiatives coupled with our world class ERP system - SAP will help integrate the group's business processes and enhance how we generate value by streamlining our operations, optimizing the utilization of resources and leveraging on the synergies created by cross-functional collaboration. Please refer page 28 to read more about our IT strategy as a key strategic enabler in achieving strategic priorities.

Highlights 24/25

With the aim of unlocking its digital transformation potential, DIMO formed its Digitalization team during the year. This team is responsible for driving technology adoption, streamlining processes, and enabling a digital-first culture across the organization.



Unlocking Digital Transformation: The DIMO Way

DIMO's ICT Strategic Framework and Digital Roadmap outline our strategic focus and key value drivers for 2024-2026. This includes customer experience transformation, optimizing business processes, and driving new revenue streams across our diverse industries and value chains. The Group ICT Steering Committee ensures technology investments align with business objectives. The committee also focuses on strengthening our cybersecurity measures, maintaining top-notch ICT infrastructure, and fostering a culture of continuous digital transformation and technology adoption.

Initiatives to foster a digital-first mindset across the workforce include leadership buy-in, employee engagement, and training and change management of the transformation from a traditional workplace to a digital one. Our digital strategy also focuses on establishing a centralized data governance framework while respecting industry-specific compliance requirements. This includes the use of data science to map customer journeys and improve decision-making. We also collaborate with industry leaders and technology partners to drive innovation and thought leadership within the industry.

No. of Projects

- Completed: 14
- In hand: 30+

Approx. Cost saving generated 24/25:

LKR 5.75 Mn

No. of Segments covered through projects completed:

- Business segments: 5
- Support service units: 4

Approx. Cost saving forecasted 25/26:

LKR 100 Mn

Reimagining DIMO: The Digital Transformation journey







Key Initiatives



- Accelerate Al-Driven Automation & Process Optimization
- Enable Data-Driven Decision-Making with a Unified Approach
- Embrace a 'Digital-First' Approach in ICT Investments
- Strengthen Cybersecurity and Data Privacy
- Promote Sustainability through Green IT Initiatives
- Enhance Customer Experience through Digital Channels

- Digital Transformation
- Digital Transformation
 Framework
- ICT Governance and Security
- Digital Awareness and Culture Change
- Data Governance and Analytics
- Strategic Partnerships



Journey So Far

- Industry specific applications
- Website Development and Optimization
- Workflow applications
- Automation

INTELLECTUAL CAPITAL

Pixels of Progress: The Year in Digital



Process Automation

- Automation of the creation of PRs in Vehicle Sales & Service module based on a predefined criterion.
- An integration project with SAP S/4HANA to ensure ordered spare parts are automatically assigned to their respective workshop reservation orders.
- Automation project for extraction of data to deliver the comprehensive AR ageing report



Industry Specific applications

- A digital application integrated with SAP to assist service advisors generate the report after final controlling operation is done at the Mercedes-Benz workshop.
- The Vehicle Clock-In Application is designed specifically for vehicle assembly plant operations, allowing seamless clock-in and tracking of vehicles at various production stages.
- The Restaurant Management POS system enhances service efficiency by integrating kitchen order tickets, table
 management, billing, and order tracking, ensuring seamless coordination and a smooth dining experience for the
 guests.
- Automated exam paper marking application for DATS, specifically focuses on the wire-bending task given to students, where the application is used to automatically provide scoring based on the degree of deviation of wire bending from the given template.



Websites

- DIMO General Engineering Website
- DIMO Marine Website
- DIMO Healthcare Website
- DIMO Intranet- Employee Portal Revamp



Workflow Applications

- The Fuel Card Management Solution is a digital platform that streamlines employee fuel usage tracking, approval, and financial reconciliation, ensuring transparency and efficient end-to-end processing.
- A Projects management information system (PMIS) to be used by Digital projects team in conjunction with Microsoft Project and PowerBi.



Al Powered Annual Report Microsite & chatbot • Launched a dedicated microsite and chatbot for the Annual report 23/24, elevating the stakeholder experience, improving stakeholder engagement and interactions with AI powered tools that analyse and interpret information.

Next-Gen DIMO: The Power of Digital



Process Automation

- Accounts Payable Invoice process automation: Automate end-to-end AP Invoice processing using intelligent Document Understanding and RPA to reduce manual effort and enhance accuracy.
- Procurement operations automation: DIMO has launched digital initiatives to enhance supply chain and procurement by increasing transparency, efficiency, and automation of key processes such as PO processing and parts reservations



Group E-commerce revamp and loyalty implementation

- Modernized e-commerce platform to deliver a seamless, personalized shopping experience across web, mobile, and social media channels, enabling customers to engage with DIMO's offerings effortlessly.
- The revamped group loyalty platform enhances customer engagement and retention through innovative, unified loyalty programs. It ensures consistent and rewarding experiences across all customer touchpoints.



ERP and CRM Integration

• Integration of ERP, CRM, call-centre, and social media platforms to create a unified digital customer experience aimed at improving customer service and operational efficiency.



Website
Development
and
Optimization

DIMO has launched several of its microsites to enhance its digital presence and improve customer engagement

- General Engineering Website: https://dimoengineering.com/
- DIMO Marine Website: https://dimomarine.com/
- DATS Website: https://dats.ac.lk/
- DIMO Healthcare Website: https://dimohealthcare.lk/



Digital Employee Experience • Digitizing employee transactional touchpoints across the hire-to-retire lifecycle and consolidating applications for a seamless digital experience.

Driving Value Through Research, Development, and Innovation

At DIMO, continuous investment in research and development, coupled with a strong culture of innovation across all business segments, is a key enabler of long-term value creation. We view innovation as a critical capability that differentiates us in a dynamic market environment and strengthens our resilience.

Our largest agriculture-focused R&D facilities—Techno Parks located in Lenadora, Lindula, and Nikeweratiya serve as centres for research. demonstration development, and activities aimed at advancing the future of agriculture in Sri Lanka. DIMO began the operations of its Agri experience centre at Dambulla in April 2024. The centre comprises of a restaurant, a fertilizer and seeds sales office and agricultural field trials and demo plots, aimed at offering a unique experience to customers.

The year marks a remarkable milestone as we started our commercial operations of COCOCARB and COCOFRESH, showcasing our continuous commitments towards sustainability.

As demonstrated above, at DIMO we continue to lead in both product and process innovation, delivering superior value to customers and supporting our future growth trajectory.

INTELLECTUAL CAPITAL

For more details on our R&D infrastructure, refer to the Manufacturing Capital section on page 72.

Product Innovations

- "PESHA" course introduced from Education segment.
- Offering of natural flavours and colours for the food industry by Nutrition chemicals team.
- Sustainable high quality pharmaceutical ingredients offered through principals.
- New Fertilizer range introduced for vegetable farming
- Launched 'Lovol Tractor' by Plantchem
- Introduction of new seeds range for Capsicum, Cucumber, Cabbage, Ridge gourd, Watermelon & Bell pepper
- Introduction of range of new fruit drinks, jams and canned products under 'Flava' brand.



Process Innovations

- Use of RFID guns for picking materials at Weliweriya central warehouse saving time and effort required.
- Perform on-the-spot cycle counts with the use of RFID guns.
- Initiated 5'S' implementation at all branches with the aim of improving overall efficiency.
- Installation of an Inkjet Printer for warranty cards printing.



Strategic Knowledge Repository

With over 85 years of operational experience, DIMO has accumulated a wealth of historical business intelligence that informs strategic decision-making and strengthens its adaptive capacity. This deep-rooted understanding of market dynamics, customer behaviour, and industry evolution forms a critical component of our intellectual capital. Powered by our digital capabilities, this abundance of information enables us to anticipate trends, mitigate risks, and seize opportunities with foresight—reinforcing our long-term value creation and competitive advantage.

The DIMO Digitalization roadmap aims at strengthening data governance and analytics capabilities for real-time, cross-functional insights whilst implementing robust cybersecurity measures and data privacy protocols to protect sensitive information and maintain stakeholder trust.

Winner: Motor Sector

LMD Most Respected Entities Ranking 2024 (2023 - Winner)

Our Organizational Edge

Our Brand: A Legacy of Excellence and Integrity

With a legacy of over 85 years, the DIMO brand is widely recognized for its excellence in quality, customer service, and reliability. We are committed to delivering on our brand promise of being the "perfect partner" by fostering long-term, sustainable relationships with worldclass principals and key stakeholders. Guided by our brand purpose - fuelling the dreams and aspirations of the communities we serve - we continuously aim to create meaningful impact. This is achieved through exceptional customer experiences, high-quality products, and the integration of local manufacturers into our value chain. In addition to representing globally renowned principals, DIMO has also established a portfolio of 20 proprietary brands in the market.

At DIMO, our reputation is our top priority, and we apply rigorous oversight to all external communications. Every communication undergoes a thorough review process to prevent any content that could inadvertently impact our brand image. Prior to publication, all public communications are evaluated to ensure full compliance with legal and regulatory standards, corporate policies, and ethical quidelines.



View DIMO's owned brands https://www.dimolanka.com/

Inside DIMO: Systems & Processes

Management Systems and Knowledge Integration

DIMO's well-structured management systems enable the efficient execution of internal processes while safeguarding organizational knowledge - especially in mitigating the risk of tacit knowledge loss arising from employee turnover. The implementation of SAP, a Tier 1 ERP system and our digitalization initiatives have streamlined operations, aligned business processes with strategic goals, and transformed organizational knowledge into accessible, explicit formats. All transactional processes are now integrated within SAP, which also supports performance management and informed decision-making.

As a key component of our intellectual capital, these systems form an integral part of our value creation and is recognized by multiple accreditations.

- ISO 9001:2015 Quality Management System valid till 25th Oct 2025
- ISO 14001:2015 Environment Management System valid till 25th Oct 2025
- ISO 45001:2018 Occupational Health and Safety Management System valid till 15th June 2025
- ISO 22000:2018 Food Safety Management System valid till 11th January 2026 (Virgin Oil international (Pvt) Ltd & Tropical Health Foods (Pvt) Ltd])
- SMETA: Certified

Workshop Management system



XENTRY Portal

Our Mercedes-Benz workshop operates to global standards, guided by the advanced 'XENTRY' system. This platform streamlines sales and after-sales processes, supports issue resolution, provides a full product catalogue, tracks service KPIs, and offers ongoing training. With XENTRY, our team delivers best-in-class service, giving us a distinct competitive edge.



At DIMO, we use KOMTRAX, Komatsu's advanced wireless monitoring system, to remotely track and manage machines across Sri Lanka. This technology enhances aftersales service by providing real-time data on performance, location, maintenance needs, enabling and proactive support, improved security, and optimized machine usage. Through regular reports and personalized recommendations, we help customers boost productivity and maximize equipment efficiency.

Social Accountability Management System

DIMO is dedicated to upholding the highest social accountability standards across its operations, ensuring fair and ethical practices for employees, service providers, contractors, and other stakeholders. The company's framework covers eight key areas: child labour, forced labour, health and safety, freedom of association, discrimination, disciplinary practices, working hours, and compensation. DIMO strictly opposes child and forced labour, promotes workplace safety with a zero-accident goal, and champions fairness, dignity, and the right to collective bargaining for all employees.

The social standards practiced at Tropical Health Foods is SEDEX certified, which verifies that the company is meeting the ethical standards established by SEDEX (Supplier Ethical Data Exchange).

Certifications

Virgin Oil International (Pvt) Limited and Tropical Health Food (Pvt) Limited have obtained the following certifications, further strengthening our processes. All products manufactured by these companies comply with the product certifications required for export businesses.

BRCG : Food safetyHACCP : Food safety

Expertise in Action

With a legacy spanning over 85 years in Sri Lanka, DIMO has cultivated deep, industry-specific expertise that enhances its competitive edge. This specialized knowledge, closely tied to the DIMO brand, forms a vital component of our intellectual capital and contributes significantly to our value creation process. It also serves as a driving force strengthening our brand reputation and stakeholder trust.

Excellence Acknowledged

The DIMO brand is frequently recognized in the industry for the premium quality it has always maintained, as detailed in our website at https://www.dimolanka.com/about-us/awards/.



INTELLECTUAL CAPITAL

Table 29: Intellectual Capital - Challenges and Strategic Responses

Risks	Impact to Business	Mitigation Actions
Resistance to change to a Digital-driven organizational culture	Fostering a digital-first mindset across the workforce requires a paradigm shift from traditional workplace culture. Resistance among employee to embrace technology as an associated novelty in doing business, could result in the loss of customers and business.	 Top-down approach in managing the mindset shift with leadership buy-in. Continuous engagement with employees throughout the digital transformation initiatives. Offer regular training and awareness on new business processes and anticipated changes.
2. Risks of cyber- attacks and loss of information	The growing integration of digital technologies into operations has introduced the Group to new types of risks, including potential cyber-attacks and data breaches	 Investing in advanced cybersecurity solutions to strengthen data security and mitigate digital risks Increase awareness among users to identify potential phishing attacks.
3. Risk of damage to brand value	DIMO's 85-year legacy reflects the trust and respect the brand has built over time. Any actions that diminish brand value risk eroding stakeholder confidence, potentially leading to business loss.	 Strengthen the brand governance framework and align all marketing and branding activities to the same. Collaborate with third party agencies to assess the sentiments of the general public towards the DIMO brand.
4. Early Obsolescence of invested technologies	Given the rapid pace of technological advancement, the company faces the risk of technology becoming obsolete before realizing the intended return on investment, achieving the payback period, or gaining a competitive advantage.	 Revise the evaluation criteria for proposed technology investments to include the risk and timing of potential obsolescence. Rigorously assess project life cycles and consider available alternative technologies. Evaluate switching costs in the event of unexpected technology obsolescence.

Looking Ahead

DIMO's journey toward realizing its full potential centres on digital transformation, research and development, and innovation. As we navigate an increasingly dynamic business environment, addressing emerging challenges becomes imperative. In this context, the Group has outlined a forward-looking action plan to guide its strategic progress.

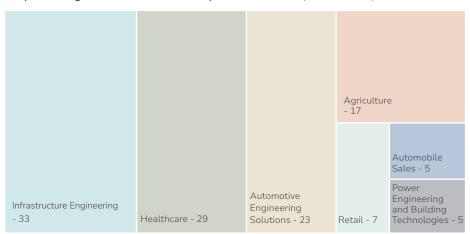
Short Term Plans Medium to Long Term Plans Increase investment on research & Implement Project Genesis Phase II development capacities aimed at enhancing our capabilities in analytics expanding to global marketplaces. and data driven decision making. Drive process improvements through Enhanced cybersecurity and automation. data privacy initiatives aimed at safeguarding the organization's data from potential threats and breaches. Implement digital enhancements across our Uphold our brand value product and service to unlock new revenue streams and establish a distinct competitive advantage across business segments. Capitals Impacted Contribution towards SDGs Alignment with Strategic Priorities ii Expand Essential Presence vii Foster Learning Culture viii Accelerate Digital Transformation

SOCIAL AND RELATIONSHIP CAPITAL

Our unwavering dedication to nurturing long-term, sustainable stakeholder relationships



Graph 32: Segment Wise No. of Principal Brands - 119 (2023/24 - 130)



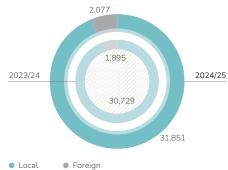




Graph 34: New Customer Additions During the Year



Graph 35: No. of Suppliers by Type (including principals)



SOCIAL AND RELATIONSHIP CAPITAL

Strengthening Relationships That Drive Value

Our social and relationship capital forms the bridge between DIMO and the broader stakeholder ecosystem - including customers, suppliers, business partners, and communities. It reflects our deep-rooted commitment to cultivating long-term, responsible partnerships that both drive and benefit from our value creation efforts. We believe that the relationships we nurture enrich all forms of our capital inputs, strengthen the value creation process, and enrich its outcomes, thereby delivering greater value and wealth creation for our stakeholders. These relationships make us a perfect partner.

Leveraging Relationships for Long-Term Value Creation

Operating as a diversified conglomerate, our ability to engage and align with stakeholders across industries is central to DIMO's sustainable growth. We have nurtured enduring customer relationships through a steadfast customer-centric approach - particularly within our aftersales operations. Our longstanding partnerships with globally renowned principals, reflect the trust we've earned through ethical practices and collaborative growth. These relationships aren't just transactional; they are strategic differentiators that empower us to meet long-term business objectives by creating grander stakeholder value.

Table 30: Social and Relationship Capital: Components of DIMO's Intellectual Capital

Components of DIMO's Social & Relationship capital		Our approach to value creation
Customers	Long standing relationships fostered through 8 decades.	Exceeded customer expectations through a well-rounded value proposition, forward-thinking product line up and consistent, proactive engagement.
Suppliers	Our strategic partners that strengthen our supply chains.	Creating value for our diverse supplier network through ethical sourcing practices, business and market share growth and capability development.
Business Partners	Strategic partnerships and shared expertise that reinforce our value creation.	Strengthening our socio-economic footprint through communication, timely and credible information provision, transparency and compliance, alignment of shared goals.
Community	Our commitment towards upholding the livelihoods of the communities we serve.	Making a positive impact on the communities we operate in through focused programs.

Key Areas of Focus





Customers

- Channel
 Partners
- Other customers
- Business Partners
- Providers of Financial Capital
- Investors
- Other Industry Associations







- Principals
- Other suppliers





Customers

Beyond Expectations: How We Deliver Value

Strong, value-driven customer relationships are a cornerstone of our business continuity. Our strategic priorities are shaped by the goal of delivering consistent value to our customers - underpinned by a customer-first culture across all business areas. We leverage our in-depth customer understanding and industry expertise, continually enriched through active engagement and collaboration in managing our product portfolio to deliver a unique customer experience.

DIMO upholds rigorous quality and compliance standards, ensuring excellence in every product and service we deliver. Our ethical business commitment is strengthened by our compliance with all legal and regulatory requirements in both local and export markets. The certifications mentioned under Intellectual Capital on page 81 are a testament to our commitment to these principles.

Our continuous pursuit of innovation fuels the development of new products aimed at delivering shared value. The new product introductions done during the year as detailed on page 86 is a clear demonstration of our efforts to deliver innovative customer value.

Total Customers

569,268

(as of 31st March 2024: 564,601)

New Customers Onboarded

4,664

(2023/24: 16,386)





Digitalization of Customer Relationship Management

Embracing the latest technological advancements, DIMO Digitalization team aims for Integration of ERP, CRM, call-centre, and social media platforms to create a unified digital customer experience. The project is expected golive in the future, transforming the history of customer relationship management at DIMO.



Engaging Customers, Enabling Loyalty

We believe meaningful engagement builds lasting trust. DIMO has established exclusive clubs, such as the Mercedes-Benz Club, Jeep Club, and TATA Emperor to recognize and reward customer loyalty - creating differentiated experiences for our valued clientele.

During the year DIMO recognized the contribution made by its dealers to business growth by felicitating exceptional performers. The dealer award ceremonies held in July and August were aimed at commending the efforts of our dealer base and strengthening the pledge of mutual commitment. DIMO continues to pave the way for growth to its channel partners and customers through our partnerships, where the nature of the partnership is designed to be that of combined and mutual growth, than mere transactional.

'Farmer Extension Program' – To strengthen our brand presence within the farming community, DIMO's Agriculture team conducted a series of farmer extension programs. These sessions focused on educating farmers about our product portfolio, sharing knowledge about the proper application techniques tailored to their crops, and promoting safe chemical handling practices. Additionally, the team carried out on-field product trials in collaboration with farmers to demonstrate the practical benefits and effectiveness of our solutions in real-world conditions. During the year under review, more than 100 such extension programs were conducted with 10,500 farmers in total.

Customer voice

Listening to our customers is core to who we are. Our dedicated call center and CRM team ensure proactive engagement, while every complaint is viewed as an opportunity for improvement. We also conduct regular surveys tailored to each industry segment to evaluate service quality and gain actionable insights.

SOCIAL AND RELATIONSHIP CAPITAL

Customer Satisfaction Index Score

91.2%

No. of customer complains resolved

1,075 (98%)

Suppliers

Partners in Progress

For over 8 decades, DIMO has cultivated enduring partnerships with some of the world's most esteemed brands. These long-standing relationships with both principals and suppliers are essential to setting us apart in the marketplace and delivering a differentiated customer value proposition. At the core of these relationships lie trust, transparency, and longevity - principles that continue to guide our supplier interactions.

A strong alignment between DIMO and its suppliers and principals is critical for maintaining consistency in our value proposition and advancing our strategic objectives. This alignment, built on shared goals and mutual understanding, is key to driving our responsible and sustainable value creation journey.

DIMO's supplier network is both broad and diverse, spanning various geographies and operational scales - from small-scale vendors to major B2B trading partners. Today, our supplier base exceeds 33,928 entities, including principals. The strength and positivity of these relationships have played a pivotal role in ensuring efficient and resilient supply chain operations across the organization.

Strategic Principal Partnerships

116 (2023/24: 118)

% Local Suppliers

94% (2023/24: 94%)

Total Suppliers

33,928 (2023/24: 32,624)

Supplier value creation

DIMO's unwavering commitment to its supplier network is evident through its long-standing partnerships. In 2024/25, we increased supplier-related payments to Rs. 51,133 Mn - with 53% directed to local suppliers. This is in line with our commitment to create a positive impact on the country's economy. Our strong relationships are especially critical in sourcing raw materials for manufacturing, and we continue to champion local value creation as a national imperative. Through initiatives such as the DIMO Supplier Code, we foster alignment, accountability, and shared progress.

Payments to Local Suppliers

Rs. **26,862** Mn (2023/24: Rs. 19,829 Mn)

Indirect value creation

Alongside our continuous commitment to create value for our communities, DIMO has created indirect employment opportunities in the Group through its third-party service providers (Manpower). We value the commitment of these indirect employees to our business operations and will continue to uplift the mutual trust.



Supplier Engagement

DIMO established a Farmer Society during the year in line with fulfilling the requirements of 'Fair Trade Certification' for its export operations. Under this arrangement, the premium of the proceeds received from customers goes directly to members of the society. The aim of this is to promote organic farming among the country's farmer community and to be a contributor to improving their livelihood.

Regulators and Other Industry Associations

With a heritage of over 85 years, DIMO is recognized for its ethical and lawful business conduct. We maintain transparent and engaging relationships with industry and regulatory associations, complying with applicable regulations upholding business continuity and mutual trust. Our active participation in industry associations allows us to share knowledge in shaping the regulatory and policy environment and contribute to national development.

The Group has memberships in following associations (among others):

- 1. Central Environmental Authority
- 2. Ceylon Motor Traders Association
- 3. Employer's Federation of Ceylon
- 4. German Chamber of Industry and Commerce (AHK)
- 5. Sri Lanka Food Processors Association
- 6. The Ceylon Chamber of Commerce
- 7. The European Chamber of Commerce of Sri Lanka
- 8. The Export Development Board
- 9. The Colombo Stock Exchange
- 10. Institute of Chartered Accountants of Sri Lanka

Community

Aligned with DIMO's overarching vision to inspire and uplift the communities we serve, we remain committed to creating a meaningful and lasting impact on the lives of those connected to our business. As a responsible corporate citizen, we fully recognize our duty towards society at large. Our aspiration to embed communities into our broader value creation journey not only strengthens our brand equity but also contributes to generating employment, expanding business opportunities, enhancing environmental quality, and elevating the overall standard of living for those we engage with.

To bring this vision to life, DIMO has implemented several impactful initiatives during the reporting period. Comprehensive details of these efforts are outlined in our Sustainability Agenda 2030 from page 22and Page 172 to 173, which reflects the core of our social sustainability strategy. A selection of these initiatives is highlighted below.

- Book Donation and school awareness program (Lassana Hetak)
- Sponsoring for the full cost of one 'Suwaseriya' ambulance for a period of one year
- DIMO Nature club Blood donation, 'Pela dansela' and donations for third party wellbeing
- Agri Framer out grower program
- DATS Free Education Program

Beneficiaries Reached

25,982 (2023/24: 3,491)

Social Investment

Rs. **62** Mn (2023/24: Rs. 39 Mn)



DATS Free Education Program

The DIMO Academy for Technical Skills (DATS) empowers youth through world-class vocational training in STEM fields. With free scholarships offered to deserving students, the program nurtures future talent and strengthens DIMO's commitment to social upliftment. To date, 15 students have benefitted under this initiative.

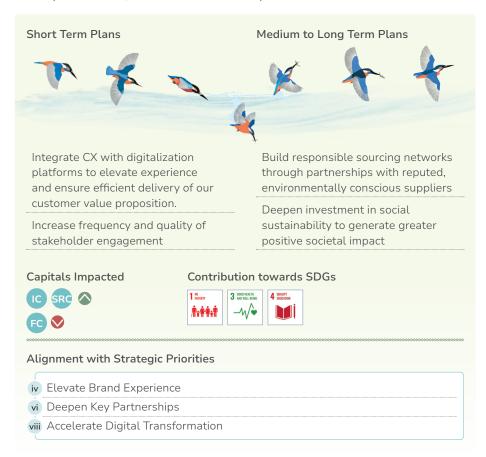
Table 31: Social and Relationship Capital: Challenges and Strategic Responses

Risks	Impact to Business	Mitigation Actions
Loss of key suppliers	Disruption in material and service flow, impacting customer delivery and operations	 Maintain strong supplier relations, establish multiple sourcing options, especially for niche materials
Loss of loyal customers	Reduced revenue and weakened brand loyalty	 Strengthen value proposition through CX and digital tools, invest in experience-driven tech and human capital
Negative societal impact	Reputational damage and reduced license to operate	 Proactive community engagement, prioritization of social sustainability in the 2030 sustainability agenda
Loss of Channel partners	Reduced revenue and risk collection and loss of reach to our end customers.	 Education and knowledge sharing, helping them manoeuvre their business in a financially healthy manner with discipline (Eg:- Avoid over trading)

SOCIAL AND RELATIONSHIP CAPITAL

Looking Ahead

To achieve our strategic objectives and drive sustainable business growth, DIMO will continue nurturing strong relationships with its customers, suppliers, regulatory bodies, industry associations, and the wider community.



NATURAL CAPITAL

DIMO's Sustainability Agenda 2030 is a rigorous plan that has arisen out of our determination to drive our business differently.



Owned Land Area

146 Acres (2023/24 – 103 Acres)

Total Water Consumption

74,648 m³ (2023/24 – 69,914 m³)

Total Energy Consumption

18,241 GJ (2023/24 - 50,795 GJ)

Total Waste Generated

800,085 kg (2023/24 - 509,088 kg)

Our Approach to Managing the Natural Capital – Agenda Driven

At DIMO, we recognize that our business activities have significant environmental impacts and have integrated environmental management and supervision into our strategy.

DIMO's Sustainability Agenda 2030 defines the road map towards the status we desire by 2030 and demonstrates DIMO's commitment to Sustainable Development Goals (SDGs). The agenda is a rigorous plan that has arisen out of our determination to drive our business differently (Refer Purpose Driven Strategy page 22).

We recognise that our environmental impact will never be zero. That's why through our Environment Pillar – 'Conserving a Planet', we consider it a priority to be more conscious of our footprint and focus on enhancing biodiversity.

Managing & Repurposing Our Natural Resources

DIMO's Environment Management System (EMS) embeds how we manage our natural capital within our day-to-day operations. A dedicated sustainability team ensures continuous improvements while the compliance team ensures that daily operations adhere to the EMS.



NATURAL CAPITAL

Table 32: Components of DIMO's Natural Capita

Components of DIMO's Natural Capital		Contribution to Value Creation
Land	Agricultural Land & Operational Footprint	DIMO Agribusiness focuses on eco-friendly farming, soil testing, and uses slow releasing fertilizer. Land is utilised for agricultural facilities such as poly-tunnels and greenhouses.
		EMS and LEED certifications are in place at workshops, centres, showrooms, and manufacturing facilities.
Water	Consumption, Management & Quality	DIMO's operations consume a lot of water – extraction is therefore reduced through recycling, reusing and rainwater collection. Recycled wastewater is tested for water quality while DIMO acts responsibly in disposing and repurposing efforts.
Energy & Atmosphere	Harvesting & Generating Clean Energy	DIMO's operations consume a significant amount of energy.
		The Company has invested heavily in, and promotes, renewable energy solutions such as Solar PV battery storage and has introduced Micro Grids to Sri Lanka.
Materials	Resource Consumption, Waste Management & Sustainable Products	How we use our materials in our operations matters. The EMS plays a key role in chemical management and waste management. QMS promotes the extension of the lifespan of tools – contributing towards a circular economy.
		We offer sustainable and organic products within our portfolio, have eliminated single-use plastics in our packaging, and have introduced more energy efficient and sustainable products, services and solutions to our product portfolio.
Biodiversity & Ecosystems	Wildlife Conservation and Restoring of Ecosystems	Our Marine Turtle Conservation projects in Panama is the flagship of our commitment to protect Sri Lankan fauna.
		We are deeply involved in the restoration of our natural ecosystems at Kanneliya and Lunugamvehera and restoring mangroves in Galle.
		DIMO Nature Club plays a key role in educating and contributing to conservation through volunteerism, as an employee engagement initiative.

NDC 1.4.3 (Waste)

DIMO ensures recycling of Polyethylene Terephthalate (PET) bottles through a collaborative approach, furthermore, the use of single-use plastics including PET is prohibited/strongly discouraged by DIMO Single-use Plastic Policy aligning with national targets.

NDC 1.3.1 (Forestry)

Following the sustainability agenda 2030, DIMO has restored 27.03 ha of degraded lands so far.

NDC 1.3.4 (Forestry)

Aligning with national targets, DIMO has taken a crucial step to conserve mangrove ecosystems by conserving 7.4 ha of land area at Nugaduwa, Galle.

NDC 1.6 (Biodiversity)

Understanding the value of ecosystem services, DIMO has restored 3.63 ha of marine habitats & 23.4 ha of terrestrial habitats since 2022, supporting the national target of 25% of restoration of degraded landscapes.

Reimagining DIMO: Environment Pillar – DIMO Sustainability Agenda 2030

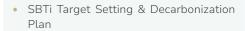


Our Strategic Objectives

- Reducing Carbon Emission by 50% (2019 Baseline)
- 100% Reuse of Treated Water
- Zero Landfill
- 1:1 Restoration



Key Initiatives



- Inventory of ETP Facilities/Improving Treatment & Reuse
- Waste Mapping & Sustainable Disposal
- Project 'Life' in Kanneliya
- Mangrove Restoration in Galle
- Marine Turtle Conservation in Panama
- Invasive Flora Removal in Lunugamvehera National Park

 SBTi Commitment & DIMO Decarbonization Plan

Journey So Far

- Reusing in 4 Facilities for Vehicle Undercarriage
- Implementation of Single-use Plastic Policy & PET Collection & Recycling in Facilities
- Continuation of Restoration & Conservation Projects
- DIMO Nature Club Volunteer Activities

Driving Value Through Research, Development, and Innovation

Sustainable transport is a cornerstone in combating climate change, urban congestion, and air pollution. Electric vehicles (EVs) are at the forefront of this shift, contributing significantly to reduced greenhouse gas emissions and decreased fossil fuel dependency, thus aligning with multiple Sustainable Development Goals (SDGs). However, EV adoption is not without its challenges, particularly the environmental impacts of battery production, disposal, and recycling.

DIMO conducted an economic feasibility study on EV battery recycling in Sri Lanka during the year. This research focused on the critical factor whether an EV Battery recycling factory was a feasible solution for Sri Lanka.

We worked in partnership with the Mercedes Benz EV battery recycling facility in Kuppenheim and created a global list of EV recycling companies. It was determined that establishing an EV recycling facility with a 2,500 tonne/year capacity in Sri Lanka would involve an estimated CapEx of LKR 8.9 billion while annual operations were estimated that to involve LKR1.9 billion of OpEx. A gross profit of 2.85 billion LKR was projected annually but upon considering the cost of acquiring feedstock (EoL batteries or black mass), it was estimated to produce a net loss. A much larger scale facility might be profitable if there is a constant supply of feedstock at a lower cost.

Therefore, even though EV battery recycling may seem not viable for Sri Lanka at present, such projects would be

beneficial as the island evolves to embrace Electric Vehicles. Such initiatives should be fuelled through fuelled through the collective efforts and assistance from the government, corporates and the public, leading Sri Lanka towards a sustainable future.



Highlights 24/25

- ESG Highlights (m) (page 168 to 171)
- ESG Statement (page 183 to 194)

NATURAL CAPITAL

Table 33: Natural Capital - Challenges and Strategic Responses

Risks	Impact to Business	Mitigation Actions
Water stress risk in drought prone areas	Water stress impacts agri export raw materials leading to operational uncertainties and cost fluctuations.	 Adapting efficient water management systems; drip irrigation. Enhancing rainwater harvesting and water reuse systems and mechanisms.
2. Supply chain disruptions due to extreme weather events	Extreme weather events can disrupt both upstream and downstream transport of goods and the raw material value chain, risking temporary shutdowns in operations. Additionally crop damages may reduce fertilizer	 Enhancing supply chain resilience through improved planning and diversification strategies.
	demand, affecting input planning cost structures.	
3. Possible mitigation and taxations on GHG emissions	Non-compliance with emerging climate regulations can significantly impact business operations, access to international markets and DIMO's brand equity. It may lead to reputational risks and potential financial losses through taxes and penalties.	 Proactively following emission reduction strategies in alignment with science-based targets and the DIMO Decarbonization Plan.

Looking Ahead

DIMO, as a diversified conglomerate in Sri Lanka, has placed natural capital at the core of its long-term sustainability strategy, explicitly outlined in its Sustainability Agenda 2030. Looking ahead, DIMO's approach to natural capital will involve a combination of minimizing environmental impact, restoring and enhancing natural resources, and integrating sustainable practices across its diverse business operations.

