

# MOMENTUM IN — **MOTION**

ANNUAL REPORT 2024/25



## Group MD / CEO's Message

# GROUP MANAGING DIRECTOR / CEO'S MESSAGE

Dear Stakeholder,

It is with conviction and confidence that I address you in DIMO's Annual Report for 2024/25, titled "Momentum in Motion." This has been one of the most difficult years in our company's history in terms of financial performance. Yet, we emerge from it stronger, having laid the foundation for sustainable transformation.

This year unfolded against ongoing economic instability. Although 2024 showed signs of macroeconomic recovery, reflected in sectors such as tourism and construction, overall household income, employment, and general welfare levels remained below pre-crisis standards. The national poverty rate stayed high, and these socioeconomic challenges directly affected our markets, particularly vehicle sales. While the lifting of the vehicle import ban offered some relief, high import tariffs continued to impact affordability and demand.

Despite these conditions, we remained focused on long-term value creation. We advanced structural reforms, digital transformation, and future-focused initiatives, reaffirming our resilience and commitment to stakeholder value.

Though we report a financial loss this year, we take pride in the meaningful groundwork put in during the year to ensure sustainable growth in upcoming years. This report is a reflection of that journey, and our commitment to being the "Perfect Partner" in all that we do.

## Our Purpose Endures

We continue to stand by our purpose—"Fueling Dreams and Aspirations", and our brand promise of being the "Perfect Partner". These principles guide our strategic alignment and stakeholder engagement. Recognising shifts in our operating context, we remain committed to our three strategic pillars: Diversification, Differentiation, and Collaboration, which are embedded through nine strategic priorities, detailed in this report.



Group MD/ CEO Multilingual Video, Audio and PDF about the financial year.

<https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=7>

## M O M E N T U M I N — M O T I O N

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## Digital Transformation Gaining Momentum

Following last year's major ERP implementation, 2024/25 saw us navigate the complexities of change while ensuring operational continuity. Our team's dedication ensured the stabilization and optimization of Phase 1. We look ahead to launching Phase 2 of the ERP in 2025/26. This next phase will introduce a suite of value-adding functionalities to enhance the experience of both our internal and external stakeholders.

In parallel, we embarked on several digitalization projects across internal operations to strengthen controls, enhance efficiency and ensure real-time data accuracy, and improve the stakeholder experience. A dedicated transformation team now partners with business units to drive digital and AI-led innovation initiatives from which we anticipate tangible benefits in the coming year and beyond.

## Year of resilience and building for future

The economic tide began to turn in the latter part of the financial year, marked by a recovery in construction activity and the lifting of the vehicle import ban. While the full impact of these developments will be realized in FY 2025/26, our performance this year reflects the resilience and perseverance of our teams.

Despite constrained market conditions, the Mobility segment posted higher financial performance during the year compared to the preceding year. Leveraging our local vehicle assembly operations and strategic import allowances, we continued to meet customer needs and kept operations active even during vehicle import restrictions. The recent introduction of electric vehicles, positions this segment well to support our Group's sustainability agenda and deliver improved performance in the upcoming year.

The Automotive Engineering Solutions Segment remained a cornerstone of Group performance, generating the highest contribution to Group PBT for the year. Beyond financial results, we fulfilled critical fleet maintenance needs of our valued customers during the vehicle import ban where they did not have access to renewing their fleet, yet required cost efficient fleet operations, thereby reinforcing our value proposition. The education division within the segment gained traction, offering vocational pathways for youth, and expansion is planned for FY 2025/26.

The Retail segment, although challenged by reduced household spending and margin pressure, recorded higher financial performance during the year compared to last year. Growth was led by the revenue streams of Automotive Parts and Tyres, while many revenue streams were under pressure on performance. The segment underwent structural changes and re-alignment of the sales operation to align with the current market demands. Strategic supply chain realignment and process improvements are expected to yield stronger results in the upcoming year. The Chemical Solutions arm of the segment plans growth in terms of financial performance and sustainable product innovations in different avenues within the chemical solutions domain.

Despite a turnover increase during the year, the Agriculture segment posted a negative contribution to the Group Profit for the year, impacted by adverse climatic conditions and severe price competition affecting Agri inputs revenue streams. Nonetheless, further investments were made in capital expenditure during the year on new initiatives, Agri Technology and improvements within the segment, appreciating the potential of this industry, portfolio strategies of the group and the sustainable contributions to the group and the industry. We have stepped in to the export market during the year with our locally produced value-added products, and forward to seeing this area taking

positive turns during 25/26. We remain confident in this sector's future and are committed to unlocking its full potential in FY 2025/26 and beyond.

With the construction sector regaining momentum, the Infrastructure Engineering Segment is poised for revival. The pipeline for FY 2025/26 reflects renewed optimism on the performance of this segment.

The Health Care Segment encountered headwinds with reduced demand for medical equipment. Efforts are underway to revitalise performance across the pharmaceutical and consumables streams.

Power Engineering and Building Technologies Segment took a major step in the renewable energy arena during the year whilst contributing as a strong performer within the Group. Apart from the major projects that are undertaken in power engineering and building solutions, the renewable energy portfolio gained significant traction, contributing both financially and toward our long-term sustainability goals.

We are confident of our plans for the ensuing year and are looking forward to seizing market opportunities to bounce back strong with our initiatives and the momentum built up this year in each segment, and thereby grow our Group financial performance positively.

## Operational Focus

Reflecting on our performance during the year under review, we have identified key operational areas that warrant targeted attention and action in the upcoming year. Margin management, working capital optimisation, and optimising new structures and processes for overhead cost management have emerged as operational priorities to strengthen operating profitability and cash flow management, complementing our growth ambitions. Dedicated teams have been aligned to drive initiatives in these focus areas.



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## Accelerating into the future

As we look ahead, we do so with clarity and purpose. Our transformation journey is anchored in our strategic pillars and the nine strategic priorities (pg 22);

To execute this roadmap effectively, we are realigning our core functions, Marketing, HR, IT and Finance for sharper market development, to drive digitalisation, to align with emerging talent and cultural shift needs and to support innovation and growth.

The strategies, guided by the definitive sustainability agenda of the group, and the risk management framework; have geared us to accelerate into the future with built up momentum.

## Value chain in focus

To realize our ambitions for accelerated growth and strategic transformation, we remain steadfast in our commitment to creating lasting value for all stakeholders. As a key enabler of this journey, we drew our focus to optimizing value chains across all facets of the organization. We have made concerted efforts to meticulously design and streamline our value chains, aligned with the successful implementation and operationalization of our ERP system. Critical functions have been strategically repositioned on a gradual yet deliberate path towards centralization.

Information flow mechanisms have been refined, enabling agile decision-making and a sharper customer focus across the enterprise, driving towards an enriched customer experience.

## Stewardship in motion

Our passion and commitment to our purpose and brand promise is at all times harboured in a vigorous framework of governance, risk, and opportunity management. These frameworks encompass corporate governance, IT & cybersecurity governance, and sustainability governance, all of which

provide the structure within which our operations are conducted.

DIMO's values are ingrained across the organization through consistent policies and practices. We've also enhanced our risk and opportunity management systems to proactively address uncertainties while embedding sustainability into strategic decisions.

## Elevated Employee Experience: Enriched Customer Experience

We believe that it is our valued staff members that make it happen, all the time, and every time. At DIMO, we firmly believe that delivering a superior and enduring customer experience begins with cultivating a highly engaged, empowered, and fulfilled workforce. This belief is a cornerstone of our ongoing transformation agenda.

To that end, we have prioritized the holistic development and retention of talent, focusing on nurturing a learning-oriented culture and instilling accountability for customer excellence at every level. Key initiatives are underway, including enhanced learning and development interventions.

## Assurances

At DIMO we uphold Transparency as a fundamental commitment to our stakeholders. Keeping to the highest standards of ethical conduct and disclosure, we ensure the integrity and reliability of all information presented in our corporate reporting. This Integrated Annual Report is a reflection of that commitment. In addition to the statutory independent auditors' assurance, we have obtained third-party assurance for disclosures as stated in the Reporting Landscape [Page 5]

## Sustainability and ESG Commitment

In alignment with our strategic imperatives, we continue to advance our sustainability agenda by embedding

environmental, social, and governance (ESG) considerations into our business model. Our 'Sustainability Agenda 2030' outlines our long-term vision and specific targets for contributing positively to society and the environment, while sustaining financial growth.

This year's report details our key ESG performance indicators and the progress we have made. Recognizing the escalating significance of climate risk, we reaffirm our role as a responsible corporate citizen by addressing climate challenges with urgency and purpose.

## Looking ahead with Confidence

As we enter FY 2025/26, we do so with clarity, optimism, and purpose. The resilience shown, the momentum built, and the strategic realignment undertaken position us well for future success.

On behalf of the Board of Directors and the leadership team, I extend our heartfelt thanks to our employees, partners, customers, and shareholders. Your continued trust and support inspire us to move forward - Not just progressing, but accelerating -towards a future defined by transformation, inclusive growth, and long-term value creation.

Yours Sincerely,



**A G Pandithage**  
Group Managing Director/  
Chief Executive Officer

5th June 2025



An immersive experience with Augmented Reality (AR) – Scan the QR code & hold the smart phone over the printed report

<https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=8>