

# CHAIRMAN'S MESSAGE



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Diversification, Differentiation and Collaboration, the Group's strategic levers for growth are powered through our people, technology, sustainability and brand equity. Therefore, the resources that provide these drivers are carefully nurtured.



Chairman's multilingual Video, Audio and PDF about the financial year.

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=5>

## A PERIOD OF TRANSITION AND RECALIBRATION

As I reflect on the financial year ended 31st March 2026, I am mindful that it has been another period of transition and recalibration for both Sri Lanka and the broader global economy. While encouraging signs of macroeconomic stabilisation have begun to emerge domestically, the operating environment continued to present a complex mix of opportunities and constraints. Inflationary pressures moderated during the year, exchange rate volatility showed relative stability compared to prior periods, and policy direction became more predictable.

## GEOPOLITICAL DEVELOPMENTS

Geopolitical developments added another layer of complexity. Ongoing global trade frictions, supply chain realignments, and geopolitical uncertainty had implications for

commodity prices, logistics, international sourcing, and the confidence of markets on which Sri Lanka depends for trade, tourism, remittances, and financing. These developments adversely affected DIMO, which is deeply connected to global Principals and international supply networks.

The IMF specifically noted that global trade policy uncertainty and heightened geopolitical tensions posed material risks to Sri Lanka's macroeconomic and social stability, even as the country's reform programme continued to yield positive outcomes.

## REMAINING RESILIENT

Against this backdrop, DIMO continued to pursue its strategic priorities, with resilience and agility with a focus on long-term value creation. Our diversified business model, spanning across seven segments, continued

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to provide a strong foundation to withstand short-term volatility, while positioning the Group for sustainable growth. The opening of vehicle imports just prior to the beginning of the financial year re-opened new opportunities in a different mobility landscape to what existed when the vehicle import ban was imposed five years ago.

Importantly, we continued to prioritise governance, ethical conduct, and stakeholder trust, recognising that these pillars are critical to sustaining business confidence in times of uncertainty. Our people demonstrated remarkable dedication and adaptability, while our long-standing partnerships with global Principals and local stakeholders enabled us to navigate disruptions effectively and sustain operational efficiency.

## WAR IN THE GULF

The escalation of the Gulf war during the year under review introduced a new external shock to Sri Lanka's recovering economy, with direct implications for corporates across all sectors. As a nation highly dependent on imported energy sources from middle eastern markets, Sri Lanka experienced the tremors of war through rising global oil prices, disrupted shipping routes, and increased logistics and insurance costs.

## CYCLONE DITWAH

During the year under review, the impact of the Cyclone Ditwah added a further layer of disruption to our economy that has undergone unprecedented problems. However, the share of problems it directly brought to DIMO was relatively less except for physical damages to the premises of a few of our business partners. We were fortunate enough to be back in business immediately after the event, without incurring any significant loss. As a trusted business partner, DIMO also extended its support to those affected within the bounds of commercial reality.

## BREAKING BARRIERS

This year's turnover of the Group of Rs. 104 Bn (Rs. 50 Bn – 2024/25) is a milestone achievement reaching the 100-billion-rupee mark for the first time. This is also 107% increase in turnover compared to the last year.

## AUTOMOBILE MARKET

The re-opened vehicle market, however, was different to the one that existed prior to the closure of vehicle imports. Significant differences are noted in terms of choice of vehicle types and the suppliers who fulfill such choices. The demand for electric vehicles has significantly increased whilst the same trend was noticed for vehicles imported from China. The DIMO Group is well equipped to meet the demands of these market dynamics.

## TECHNOLOGICAL ADVANCES

The world is making technological advances at a rapid pace, with new technology becoming obsolete in a very short period of time. This necessitates the companies to act fast or be left out. The implementation of SAP consisting of many modules was the first step taken towards creating a comprehensive data base that will act as a strong platform to adopt new technology. The adaptability of SAP also provides opportunities to integrate compatible technology and is designed to form a solid base for technology adoption in the short, medium and long term.

Technology and digital transformation remained central to DIMO's strategic agenda during the financial year. The Group accelerated its adoption of digital tools and platforms to enhance operational efficiency, improve customer experience, and enable data-driven decision-making. Investments in enterprise systems, process automation, and analytics capabilities contributed to improved supply chain visibility, inventory management, and service delivery. Digital engagement platforms were further strengthened. Phase two of implementation

of SAP, the enterprise platform, is currently underway and once completed it is expected to significantly improve visibility, analytics capabilities and customer experience. At the same time, as a Group, we seek enhancement of the technology quotient of our products and services offering and its delivery to our customers.

## STRATEGY

Diversification, Differentiation and Collaboration, the Group's strategic levers for growth are powered through our people, technology, sustainability and brand equity. Therefore, the resources that provide these drivers are carefully nurtured. Our diversification strategy proved its value during the period of vehicle import restrictions, providing the Group with alternative business streams and strengthening our resilience. Technology, customer experience and sustainability are expected to be drivers of differentiation strategy in the future.

## SUSTAINABILITY

The emphasis of the role to be played by a corporate in sustainability is clearer than ever before. We have identified sustainability as an avenue to create value for our shareholders. The Sustainability Agenda 2030 of DIMO carries the Group's Strategy to manage sustainability related risks and opportunities and to leverage and embed sustainability in our business models.

## OUR CORPORATE WEALTH

As an organization, we always look at our corporate wealth in a holistic manner. Monetised capitals such as financial and manufactured capital that we possess and the non- monetised capitals that come in the form of relationships, human resources, natural resources and intellectual capital are valued and nurtured carefully. Thus, the integrated report we prepare help the investors and potential investors to assess the corporate wealth that we possess and its ability to create value to shareholders in the short, medium and long term.

## FINANCIAL RETURNS TO SHAREHOLDERS

The Earnings per Share of Rs. 172.37 achieved this year (Negative EPS of Rs. 137.00 – 2024/25) is the highest we achieved for many years, thanks to the relative stability in the economic environment and opening of the automobile imports that allowed us to conduct our business as usual.

## THE BOARD OF DIRECTORS

There were a few changes to the Board of Directors during the year. This resulted in changes to the Board Committees as well. I take this opportunity to thank Mr. A. D. B Talwatte who retired from the Board during the year, for his invaluable contribution to the Board and its Committees. I also warmly welcome the new members who joined the Board during the year.

I have been fortunate to always have a Board of Directors whose counsel have been invaluable in navigating the company. I thank every member of the Board for their contribution in achieving this year's result.

## MY TRIBE

During the difficult times when our core business of mobility was restricted for five years, it was my tribe members who came forward and charted the course for what DIMO is now. They all rallied together to innovate and change the outlook of DIMO, during this difficult period. I sincerely thank them for their contribution and delivering a result that extends beyond our plans.

## CHALLENGES

It is widely believed that vehicle imports have a material impact on the economy via balance of payment. Therefore, it has become a subject of government's continuous attention where the changes

are made to the tariff and regulations to regulate the volume of vehicle imports. This always causes uncertainty about the immediate future and the prospects of this business. Our diversification strategy has helped us to overcome this challenge, and we will continue to strengthen our non-auto businesses, as much as we seek advancement and innovation in the mobility business.

Another challenge is the ripple effects that can be caused by the war in the gulf on the Sri Lankan economy and the supply chains. The company has contingency plans in place to overcome such challenges, should they persist.

## LOOKING AHEAD

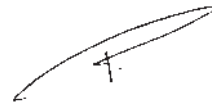
As we move forward, we remain cautiously optimistic about the trajectory of economic recovery in Sri Lanka, while staying vigilant to external headwinds and geopolitical uncertainties. In this evolving environment, DIMO is well-positioned to capitalize on emerging opportunities through innovation, disciplined execution, and a clear strategic focus.

During the past years, the company has been making significant investments. The primary purpose of these investments was to drive growth whilst managing risks through a diverse portfolio. Most of the investment are reaching a critical juncture where we need to review the extent to which we have achieved our desired objectives and decide their future course. This remains a key decision in our diversification strategy.

Adverse impacts on the macro-economic situation from external factors and the impact on vehicle imports due to tariff and regulatory requirements may continue to affect the mobility business. At the same

time, careful management of the country's economy could present us with new opportunities in the segments that we are present in. One may see this as a mixed bag of positivity and adversity. However, the current plans indicate that the Group will continue its current growth trajectory and produce a better result for the ensuing year.

Your Sincerely,



**Ranjith Pandithage**  
Chairman

3rd June 2026  
Colombo



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<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=6>