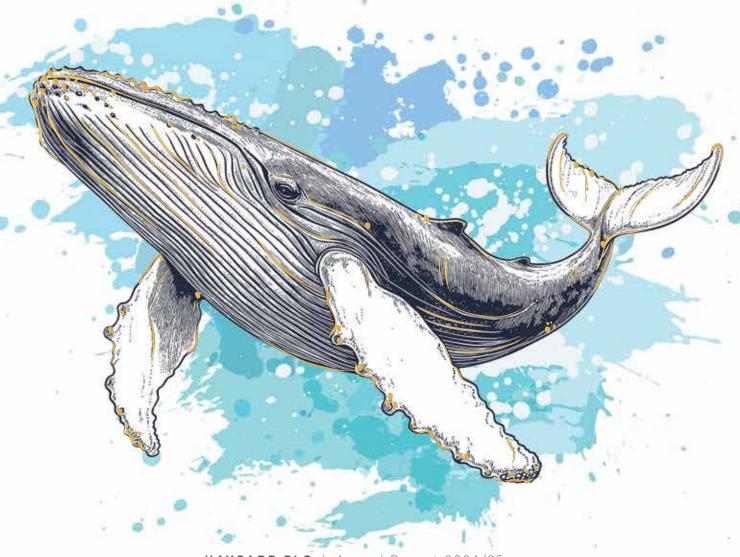
Boundless Impact

Our Strategic Framework SWOT & TOWS: Strategy in Motion



HAYCARB PLC | Annual Report 2024/25

Our Strategic Framework SWOT & TOWS: Strategy in Motion

At Haycarb, our strategic planning process is grounded in a holistic evaluation of both internal capabilities and the evolving external environment. By rigorously assessing our strengths and weaknesses and analysing the opportunities and threats that shape our operating landscape, we have refined our strategic direction for the year ahead. This integrated TOWS analysis provides a structured lens through which we identify growth

pathways, mitigate risks, and enhance organisational resilience. This analysis explores four critical strategic dimensions:

- Strengths-Opportunities (SO): How can we harness our core strengths to capitalise on emerging opportunities?
- Strengths-Threats (ST): How can our strengths be deployed to offset or navigate potential threats?
- Weaknesses-Opportunities (WO): How can new opportunities help us overcome internal limitations?
- Weaknesses-Threats (WT): How can we reduce the impact of our weaknesses while effectively managing external threats?

The insights derived from this framework inform the strategic priorities of the Group for Financial Year 2024/25, as presented below.

- Priority / Immediate Action
- Medium Priority / Monitor Closely
- 🌱 High Risk / Strategic Mitigation Required

Opportunities (O)

- O1 Strong Demand in Asia-Pacific, Indian markets and rising demand in Africa for sustainable carbon solutions
- O2 Technological breakthroughs in green manufacturing and AIdriven process optimisation
- O3 Regional integration and strategic alliances for raw material security and joint ventures
- O4 Transition to low carbon economy

Threats (T)

- Intensifying competition and margin compression
- Global economic volatility and regional instability
- Persistent supply chain fragility and logistic cost surges
- Growth of alternative materials due to scarcity of coconut shell charcoal
- Regulatory shifts on carbon intensive input

Strong global brand presence and market leadership

- S2 Advanced R&D capability and innovation agility
- Embedded sustainability and ethical business practices
- S4 Experienced and adaptive leadership
- **S5** Strong financial discipline and stable performance
- W1 Exposure to commodity price fluctuations
- W2 Overdependence on coconut shell-based raw material
- W3 Escalating production and operational costs
- W4 High capital intensity and liquidity demands

SO STRATEGIES

- Expand premium product footprint in East Asia and India to meet growing demand (S1, O1)
- Accelerate R&D for next-gen carbon products and green applications (S2, S5, O2, O4)
- Expand Environmental **Engineering Solutions to Maldives** and Southeast Asia (S1, O3)
- Strengthen Haycarb's sustainability positioning through certifications and disclosures (S3, O2)

ST STRATEGIES

- Strengthen supplier networks near raw material hubs to reduce disruption risk and promote backward integration through green charcoaling technologies for long-term sustainability and supply assurance (S3, T3)
- Innovate to reduce threat of substitutes and diversify raw inputs (S2, S3, T4)
- Scenario-based financial planning to respond to global uncertainty (S4, T2)
- Expand high-margin product portfolio to reduce impact of price competition (S5, T1)
- Digitalised raw material procurement and raw material availability tracking systems will enhance supply chain resilience or similar wording (S2, T3)

WO STRATEGIES

- Set up or partner in other coconut-producing countries to diversify sourcing (W2, W3, O1)
- Invest in green production, automation and energy-efficient processes (W3, W4, O2)
- Backward integration and strategic partnerships to secure material supply (W2, O3)

WT STRATEGIES

- Hedge against raw material price volatility and currency fluctuation (W1, T2)
- Accelerate R&D for non-coconut-based alternatives to meet specific segments (W2, W3, T4)
- Explore blended financing options with competitive interest rates including long term financing to facilitate capacity expansion and sustainability strategies of the company whilst maintaining competitive position (W4, T1)