

BEYOND SWOT - THE TOWS ANALYSIS

Our strategy formulation process involves a comprehensive assessment of both our internal capabilities and the external environment. The careful assessment of our internal strengths and weaknesses and analysis of opportunities and threats stemming from the external environment, provided us with a new lens to evaluate potential growth strategies for the Group. This analysis explored the following key strategic questions.

- **Strengths – Opportunities** – How can we leverage our existing strengths to capture emerging opportunities.
- **Strengths – Threats** – How can we utilise our strengths to mitigate potential threats that may arise from the external environment.
- **Weaknesses – Opportunities** – How will emerging opportunities enable us to address identified weaknesses and improve our overall position
- **Weaknesses – Threats** – How can we mitigate the impact of our weaknesses while navigating potential threats stemming from the external environment.

The result of this analysis is presented below.



Strengths

- S1** Market position and strong global brand
- S2** Capacity to innovate.
- S3** Sustainable and sound business practices
- S4** Capable leadership team
- S5** Strong financial position and performance

Weaknesses

- W1** Exposure to volatility in commodity prices
- W2** Dependent on a single raw material
- W3** Rising cost of production.
- W4** Large capital outlay and working capital requirements

Opportunities

- O1** Strong growth potential
- O2** Technological advancements
- O3** Strategic partnerships

- Strong demand in the East Asian and Indian markets & rising demand for premium and specialized activated carbon products (**S1, O1**)
- Growth potential in Maldives and the region for Environmental Engineering Solutions services (**S1, O3**)
- Continuing to invest in R&D to develop products and processes to provide competitive advantage to Haycarb. (**S2, S3, S5, O2**)

- Opportunities to enhance Haycarb's presence in other coconut producing countries for manufacturing (**W2, W3, O1**)
- Investing in research and development to create environmentally friendly production processes and products (**W3, W4, O2**)
- Developing partnerships or investing in backward integration to secure a stable supply of raw materials. (**W2, O3**)

Threats

- T1** Intense competition
- T2** Economic uncertainty
- T3** Supply chain disruptions
- T4** Availability of substitutes for certain applications

- Manufacturing footprint in proximity to raw material availability & maintain stable supply chains and supplier empowerment. (**S3, T3**)
- Encourage diversified product portfolio with emphasis on quality. (**S2, T1**)
- Innovation in collaboration with customers for development and commercialization of activated carbon from other raw materials in line with current business operations and market presence. (**S3, T4**)
- Monitoring of economic uncertainty and effective navigation by our capable leadership team (**S4, T2**)

- Slowdown in global economic growth and political instability in Europe and Central Asia (**W1, T2**)
- Pressure to explore substitutes given the high cost of coconut-shell based activated carbon products for certain industries. (**W2, T4**)
- Additional operational costs to the company due to supply chain disruptions (**W3, T3**)