

April 2024

Currency Impact Report

A Quarterly Report Assessing the Impact
of Foreign Exchange to North American
and European Corporate Earnings



Table of Contents

Overview

3

Currency Impact on
N. American Corporate Earnings

7

Currency Impact
on European
Corporate Earnings

12

Comparison of Currency
Impact to N. American &
European Companies

17

About the Report

The April 2024 Kyriba Currency Impact Report analyzes the reported effects of currencies to North American and European companies' earnings during the second quarter of 2023. To obtain this information, Kyriba analyzed the earnings calls of 1,700 publicly traded North American and European (850/850) companies as part of a continued effort to provide insight into how foreign exchange impacts organizations. The size of European companies included in the current index was increased in Q2 2023 to 850. The companies included in this data set are large multinational firms doing business in more than one currency with at least 15% of their revenue coming from overseas.



Currency Impact Report

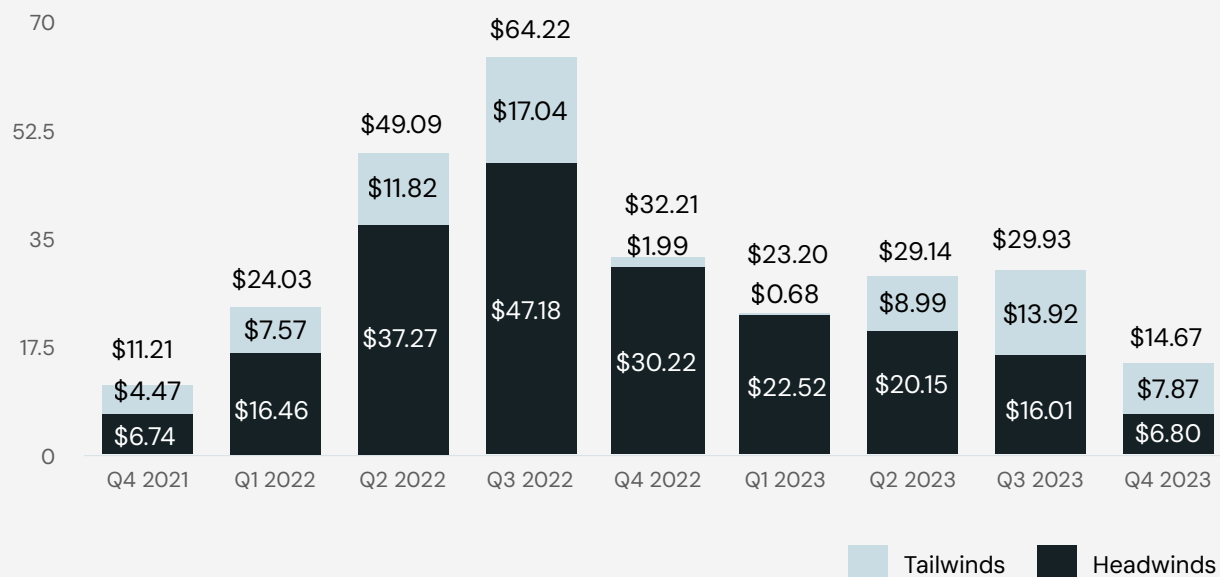
Overview



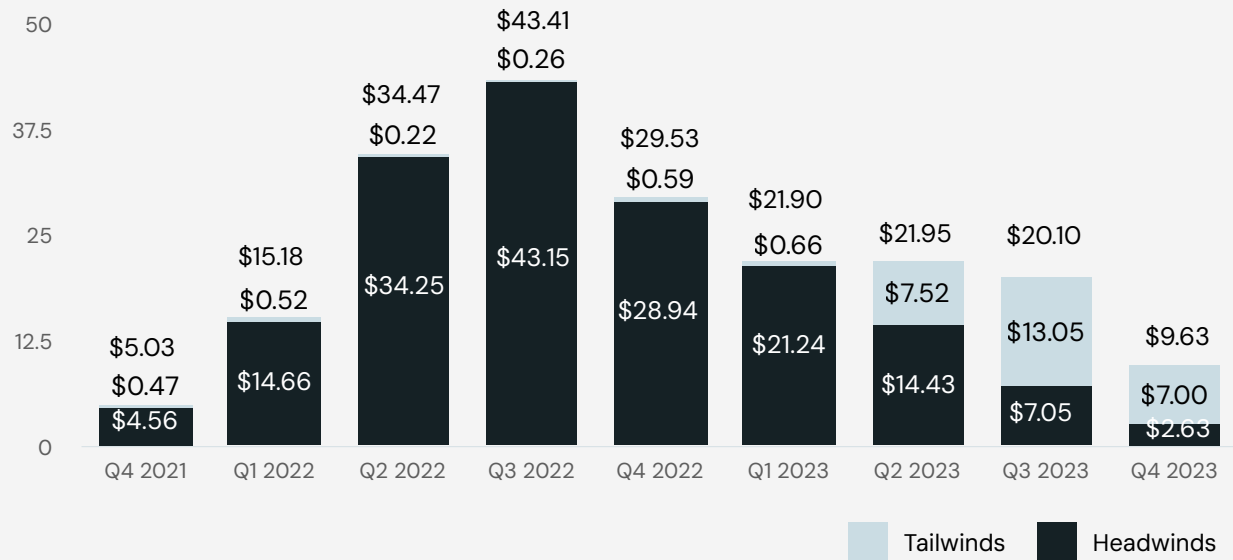
Key Findings

- The total annual currency impact for 2023 reached \$95 billion compared to 2022, which totaled \$169 billion in a year which saw a record rise in interest rates.
- The collective quantified negative impact reported by both North American and European companies totaled \$6.80 billion in Q4 2023, a 57.5% decrease from Q3 2023.
- 14.2% of corporates studied (241/1700) quantified +/- impacts totaling \$14.67 billion (\$6.80 billion headwinds), (\$7.87 billion tailwinds).
- The euro was the currency most mentioned as impactful by North American and European companies, while the Argentine peso was the most volatile currency.
- 192 North American and European companies reported currency headwinds in Q4 2023. Of those companies, 100 (52.1%) companies quantified their FX impacts.

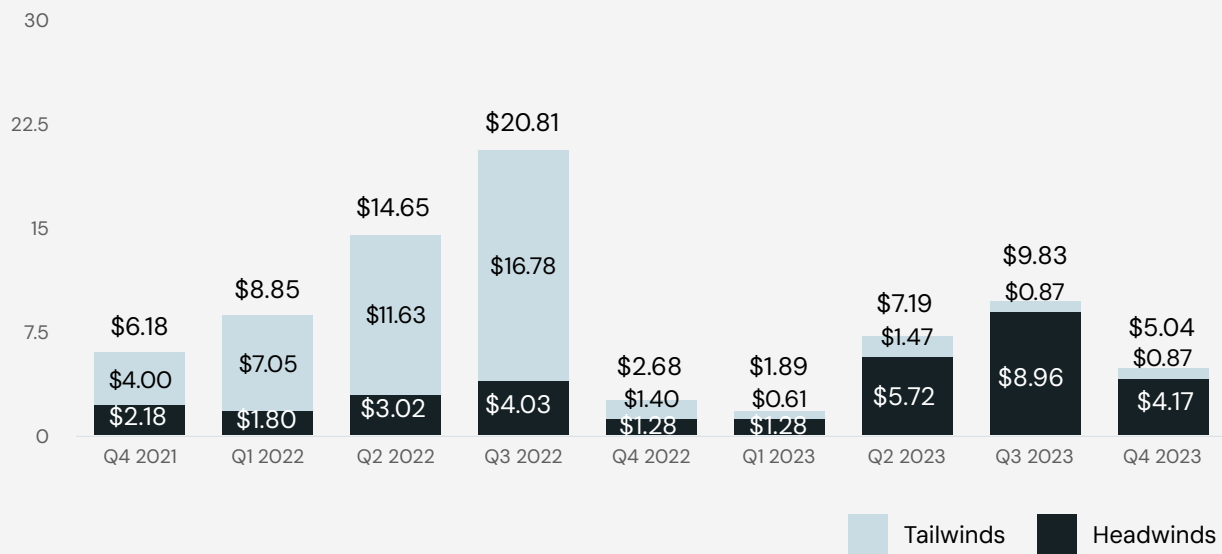
Total Quantified Currency Impacts by North American and European Companies (Billions)



North American Companies' Quantified Currency Impact (Billions)



European Companies' Quantified Currency Impact (Billions)



Top 5 Volatile G20 Currencies



Top 5 Volatile Currencies as Weighted by GDP Percentage

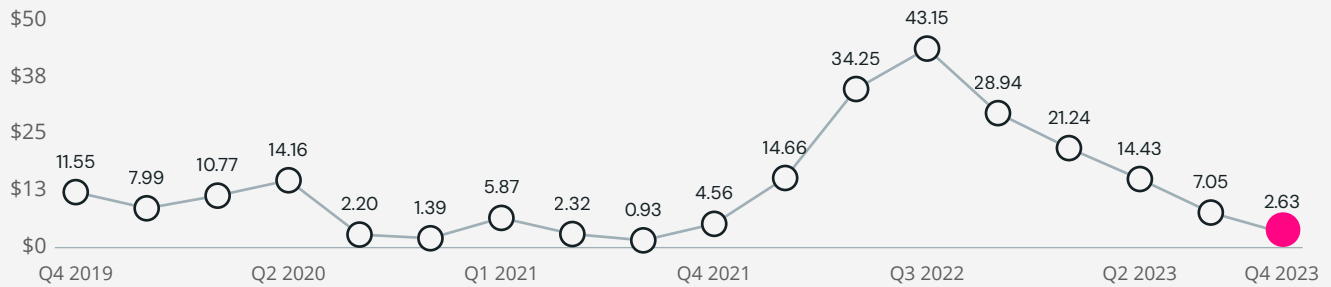




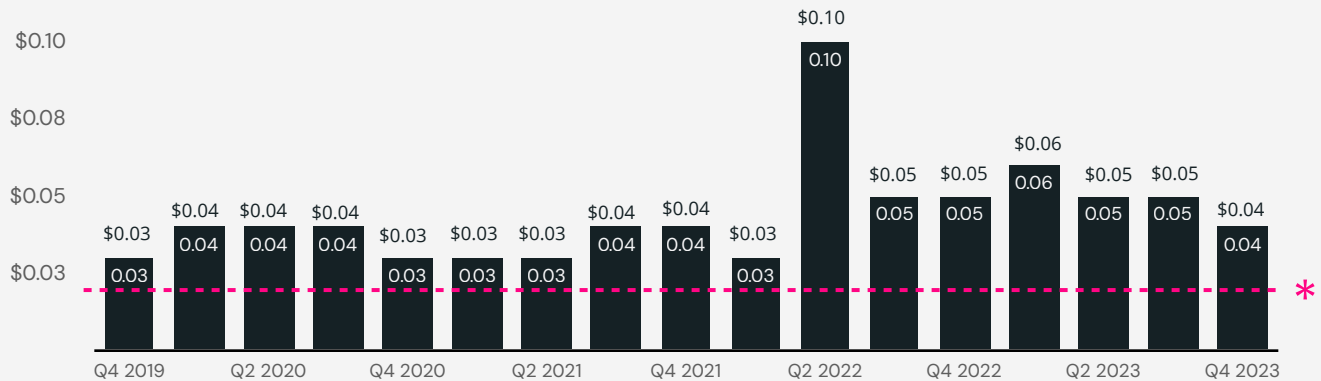
Currency Impact on North American Corporate Earnings



Negative Currency Impact to North American Companies (Billions)



Average EPS Impact Reported by North American Companies



* Industry Standard MBO of Less than \$0.01 EPS Impact

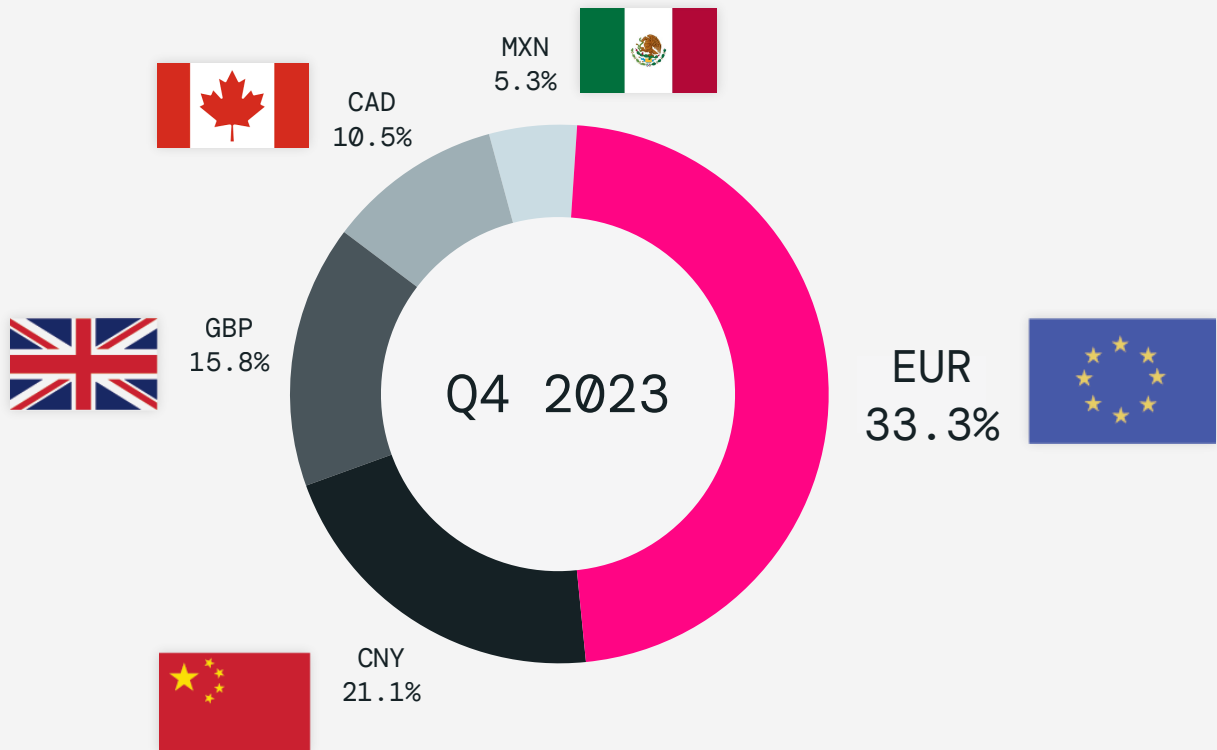
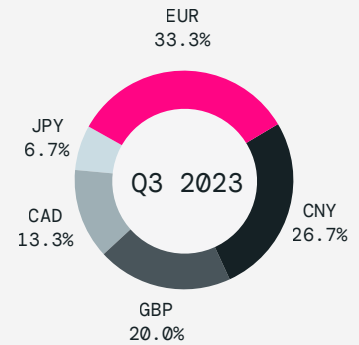
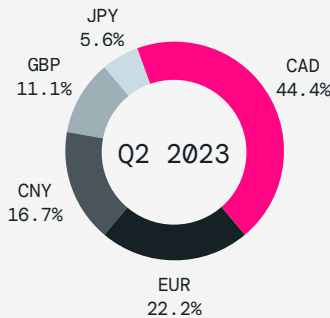
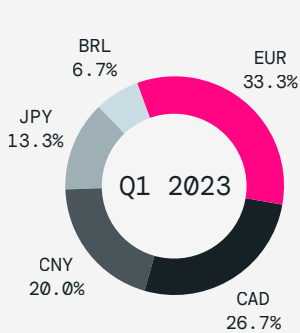
Currency Impact on North American Corporate Earnings

North American companies reported a \$2.63 billion impact in Q4 2023, 62.7% smaller than the impact in Q3 2023.¹

The average earnings per share (EPS) impact reported by North American companies in Q4 2023 was \$0.04, four times greater than the industry standard MBO of less than \$0.01 EPS impact.

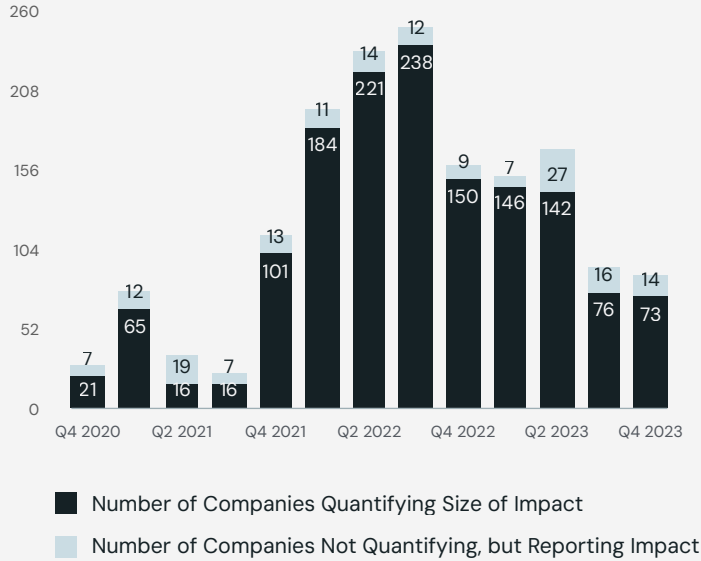
¹ Impacts are likely underestimates as most companies with currency headwinds generally do not report them.

Top Currencies Referenced by North American Companies as Impactful



The euro was the most mentioned currency. The Chinese renminbi was the second most-mentioned, followed by the Great British pound, the Canadian dollar, and the Mexican peso. The Mexican peso was the most volatile currency while the euro and Chinese renminbi were the most and second most volatile currency weighted by GDP, respectively (page 6).

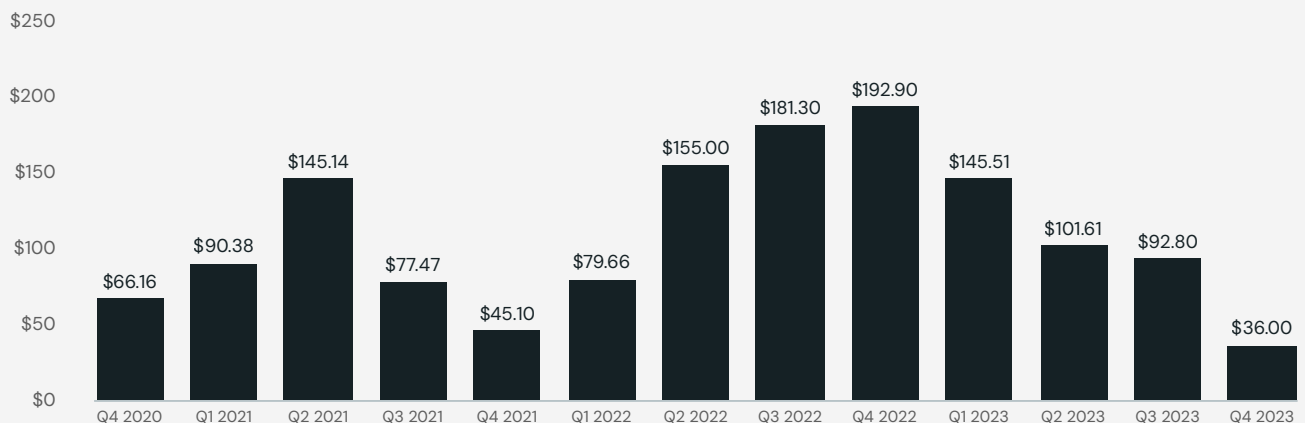
Number of North American Companies Reporting Negative Currency Impacts



Percentage of North American Companies Quantifying Impacts



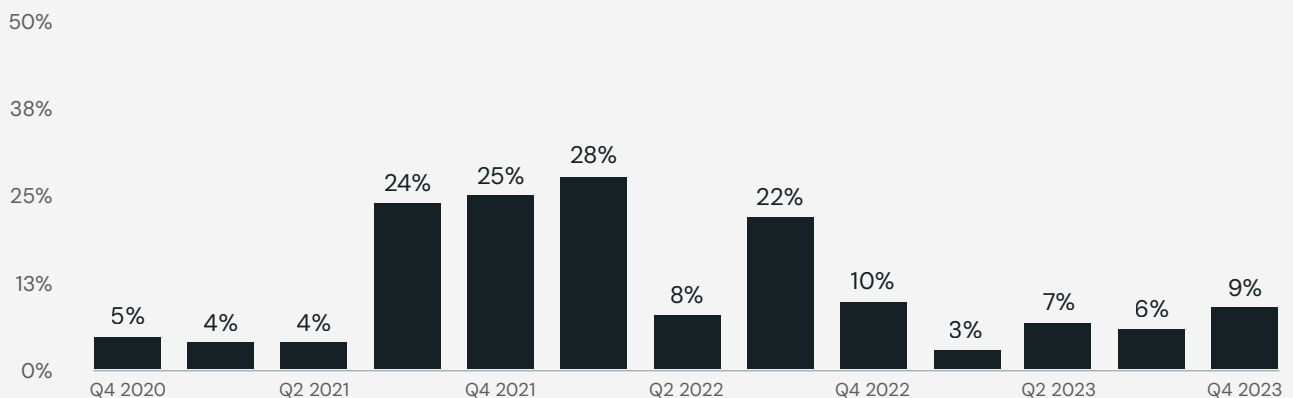
Average Negative Impact to North American Companies (Millions)



Most Impacted North American Industries



Percentage of North American Companies that Fielded Analyst Questions



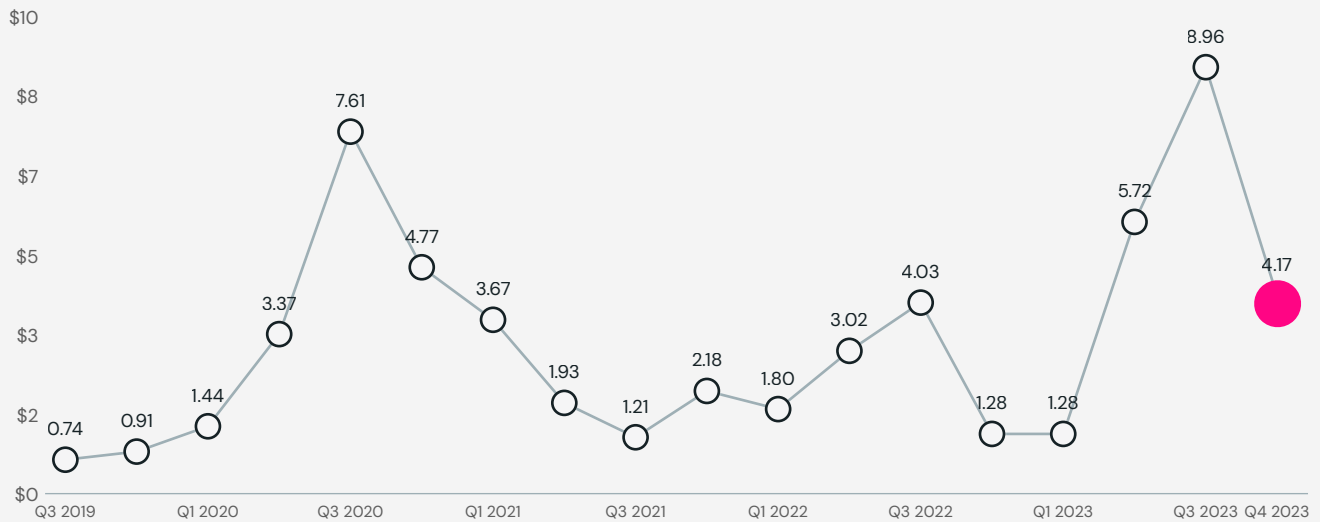
In Q4 2023 earnings calls, 9 percent of North American companies that reported impacts fielded analyst questions.



Currency Impact on European Corporate Earnings



Negative Currency Impact to European Companies (Billions)



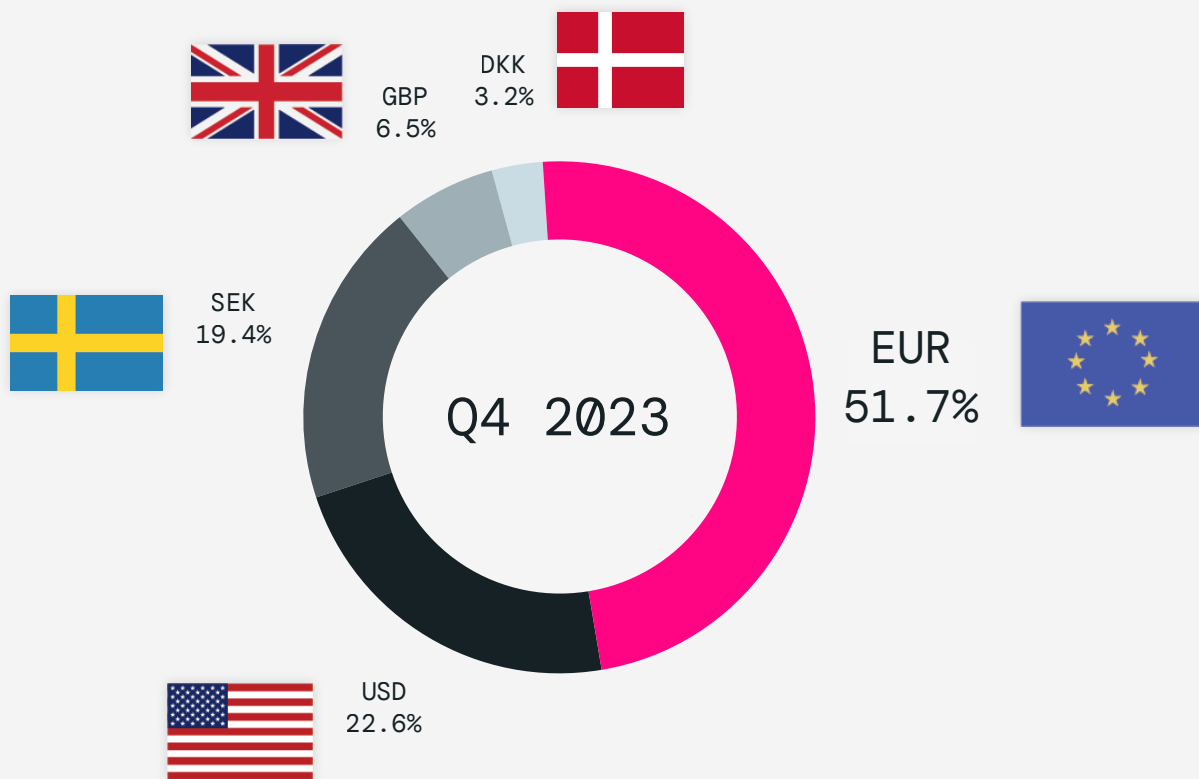
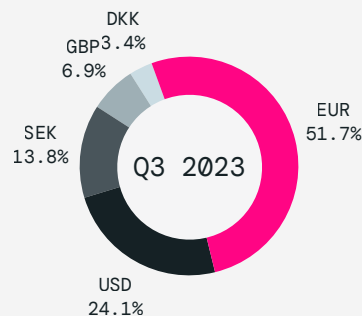
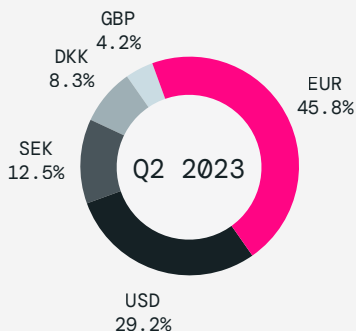
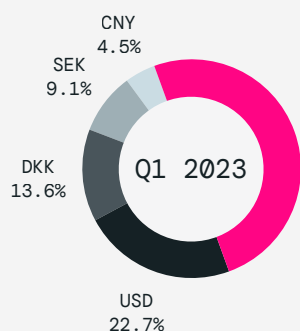
Currency Impact on European Corporate Earnings

European companies reported \$4.17 billion in FX-related losses, about 53.5% less than the previous quarter.²

Of the 850 Europe-based multinationals analyzed, 12.4% reported headwinds in Q4 2023. Of those, 25.7% quantified their negative impacts (see page 15).

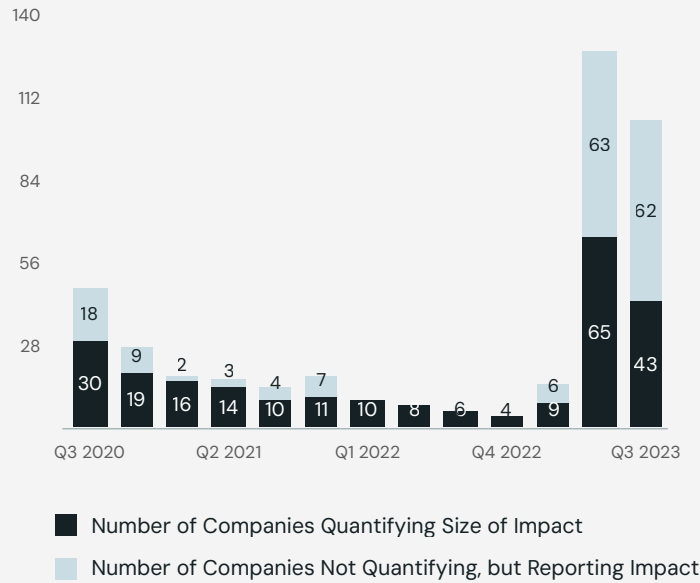
²Impacts are likely underestimates as most companies with currency headwinds generally do not report them.

Top Currencies Referenced by European Companies as Impactful

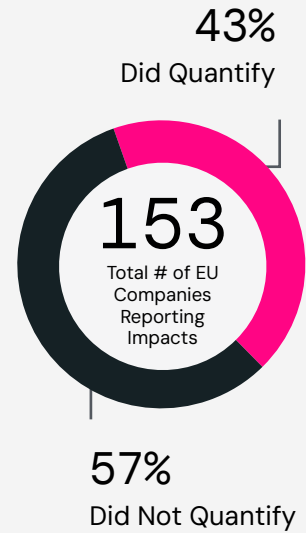


The euro was the most mentioned currency in earnings calls for Europe, followed by the United States dollar and the Swedish krona. The British pound was the fourth most mentioned, followed by the Danish krone. The euro and the pound were the most volatile and fifth most volatile currency weighted by GDP, respectively (page 6).

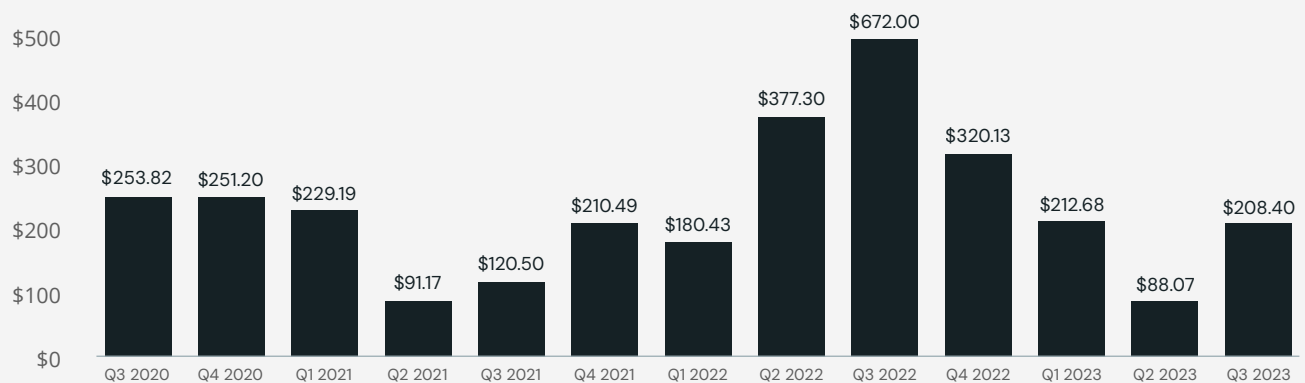
Number of European Companies Reporting Negative Currency Impact



Percentage of European Companies Quantifying Impacts



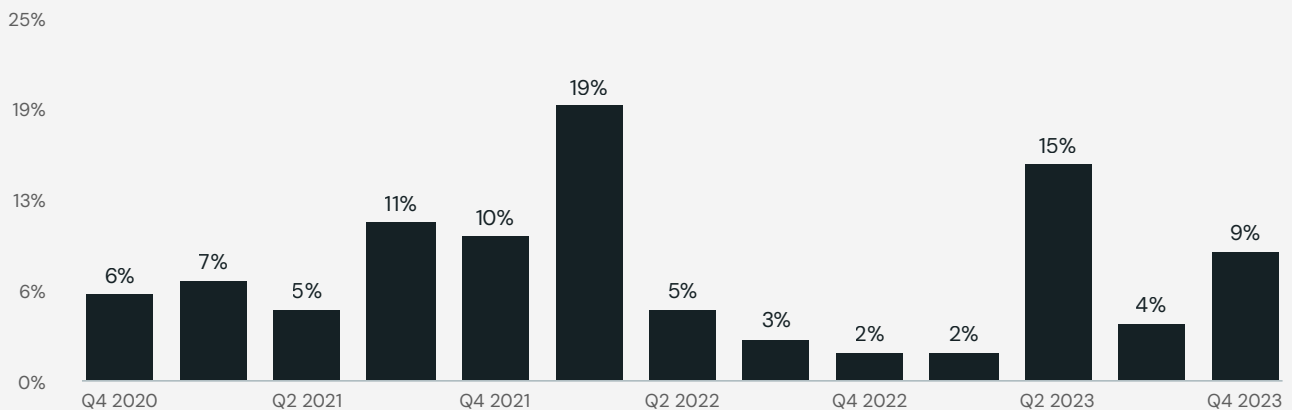
Average Negative Impact to European Companies (Millions)



Most Impacted European Industries



Percentage of European Companies that Fielded Analyst Questions



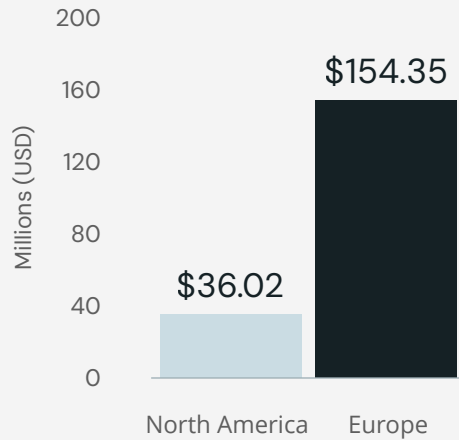
In Q4 2023 earnings calls, 9 percent of European companies that reported impacts fielded analyst questions.



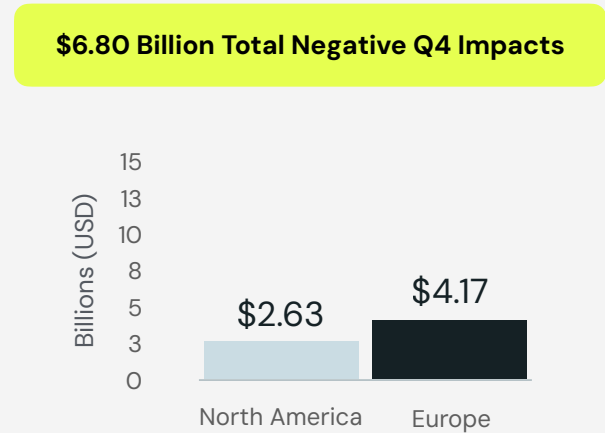
Comparison of Currency Impact to North American and European Companies



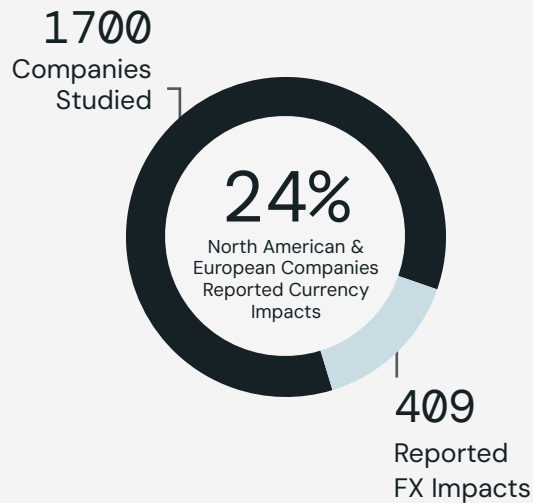
Average Quantified Negative Currency Impact (Millions)



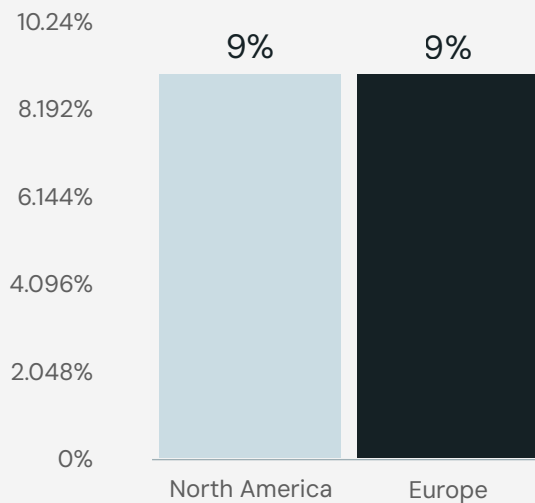
Size of Quantified Negative Currency Impact (Billions)



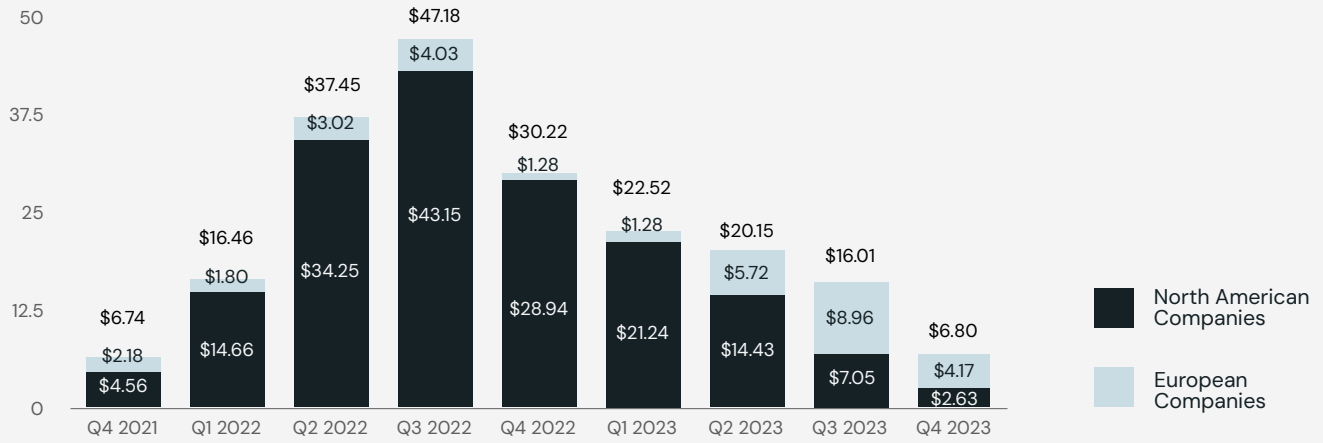
Number of Companies Reporting Currency Impacts



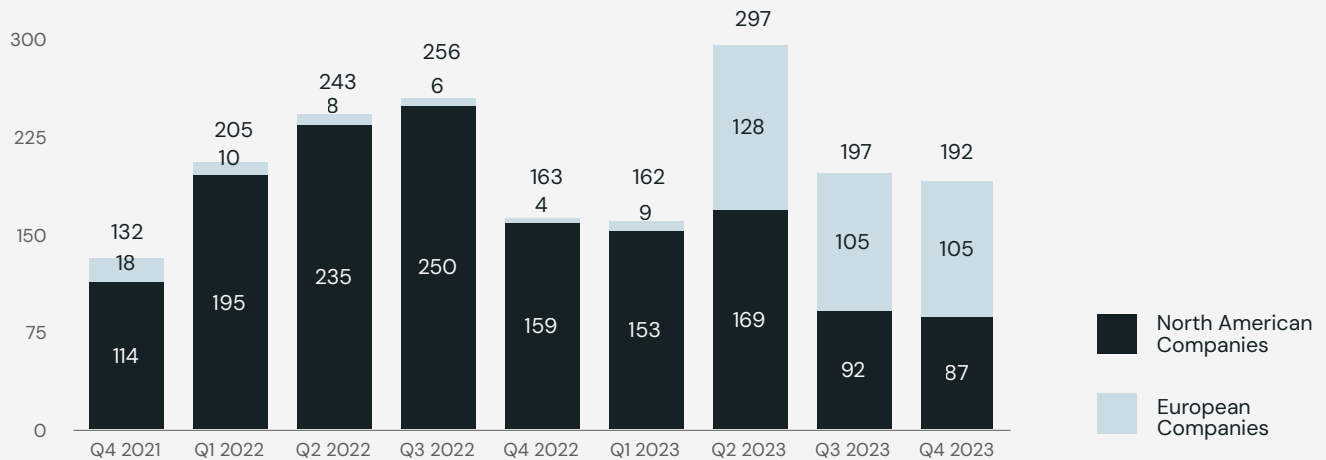
Percentage of Companies Reporting Impacts That Fielded Analyst Questions



Quantified Negative Currency Impact (Billions)



Number of Companies Reporting Negative Currency Impact



About Kyriba Corp.

Kyriba is a global leader in liquidity performance that empowers CFOs, Treasurers and IT leaders to connect, protect, forecast and optimize their liquidity. As a secure and scalable SaaS solution, Kyriba brings intelligence and financial automation that enables companies and banks of all sizes to improve their financial performance and increase operational efficiency. Kyriba's real-time data and AI-empowered tools empower its close to 3,000 customers worldwide to quantify exposures, project cash and liquidity, and take action to protect balance sheets, income statements and cash flows. Kyriba manages more than 35 billion bank transactions and \$15 trillion in payments annually and gives customers complete visibility and actionability, so they can optimize and fully harness liquidity across the enterprise and outperform their business strategy. For more information, visit www.kyriba.com.