

July 2024

Currency Impact Report

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



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About the Report

The July 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

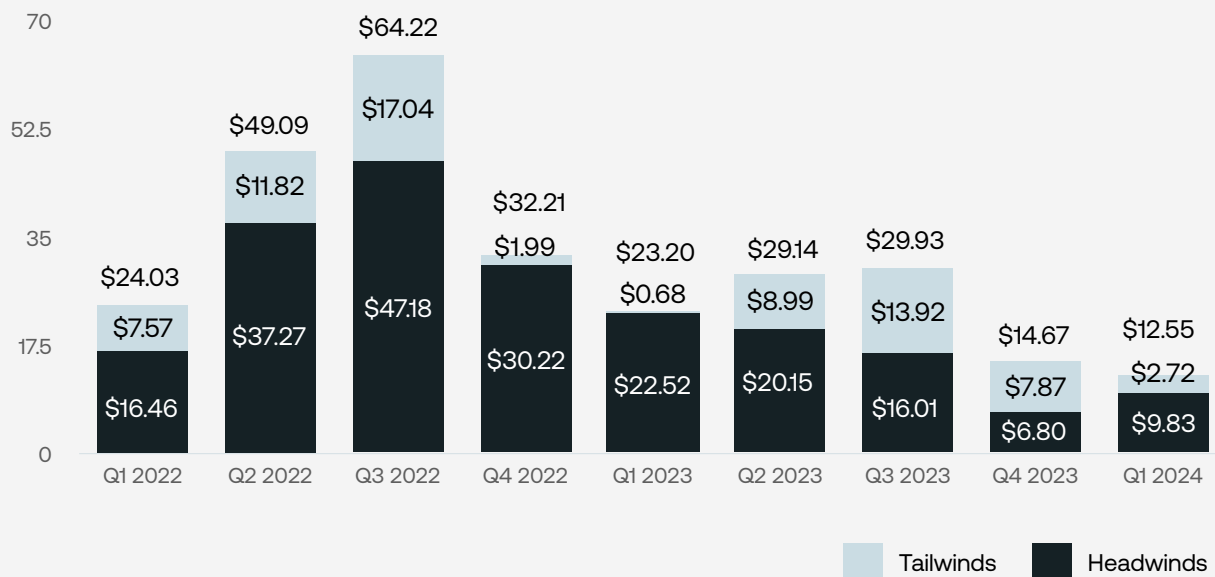
Overview



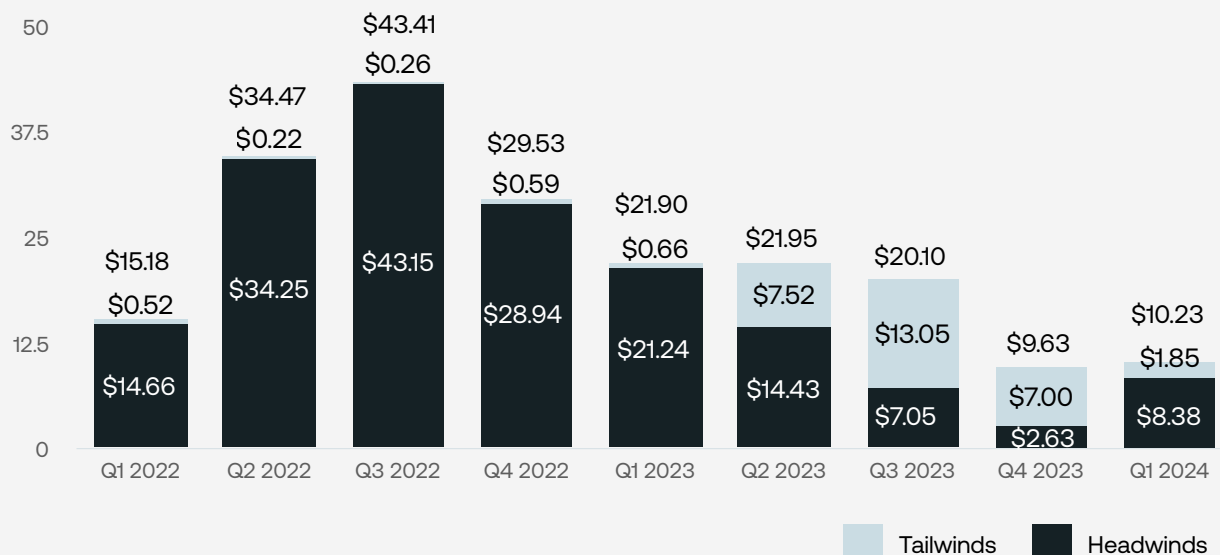
Key Findings

- The collective quantified negative impact reported by both North American and European companies totaled \$9.83 billion in Q1 2024, a 44.6% increase from Q4 2023.
- 11.5% of corporates studied (195/1700) quantified +/- impacts totaling \$12.55 billion (\$9.83 billion headwinds), (\$2.72 billion tailwinds).
- The Argentinian peso and the US dollar were the currencies most mentioned as impactful by North American and European companies, respectively, while the Turkish lira was the most volatile currency.
- 177 North American and European companies reported currency headwinds in Q1 2024. Of those companies, 120 (67.8%) companies quantified their FX impacts.

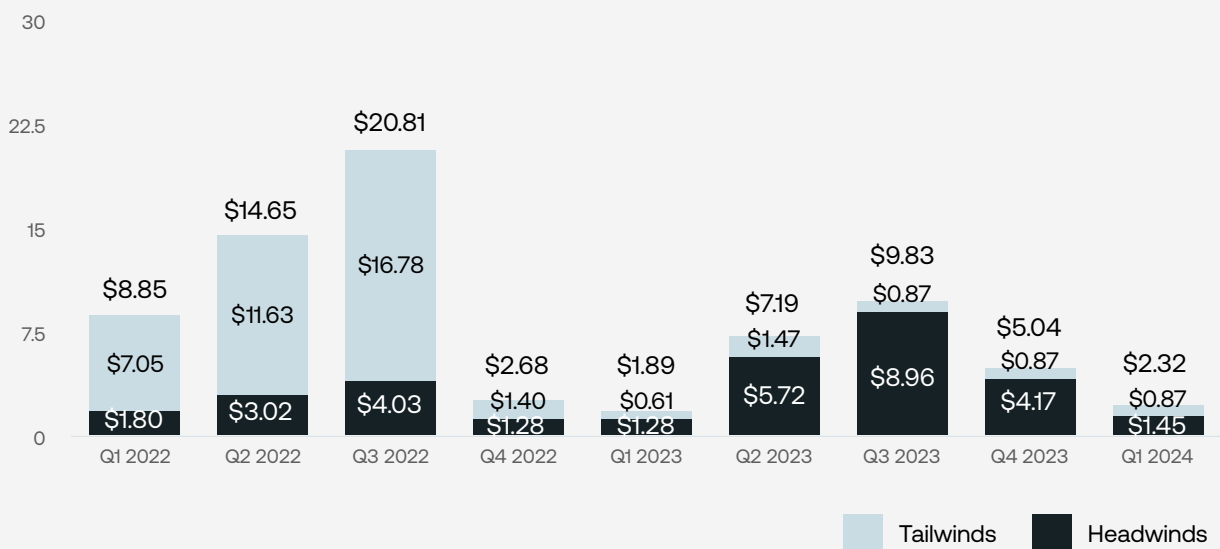
Total Quantified Currency Impacts by North American and European Companies (Billions)



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

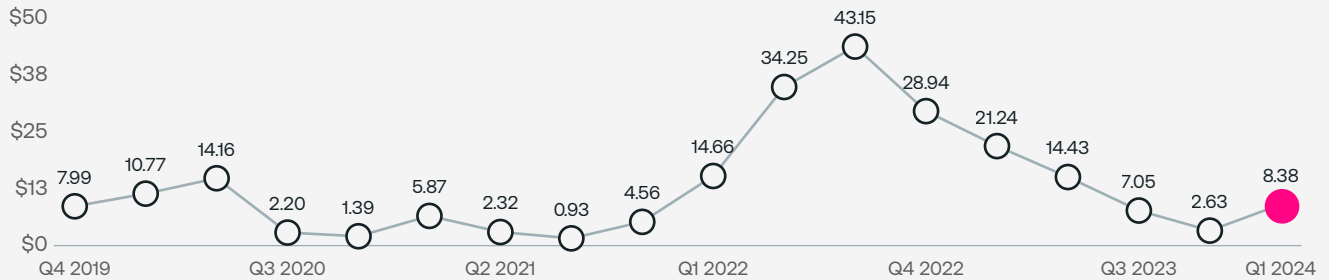




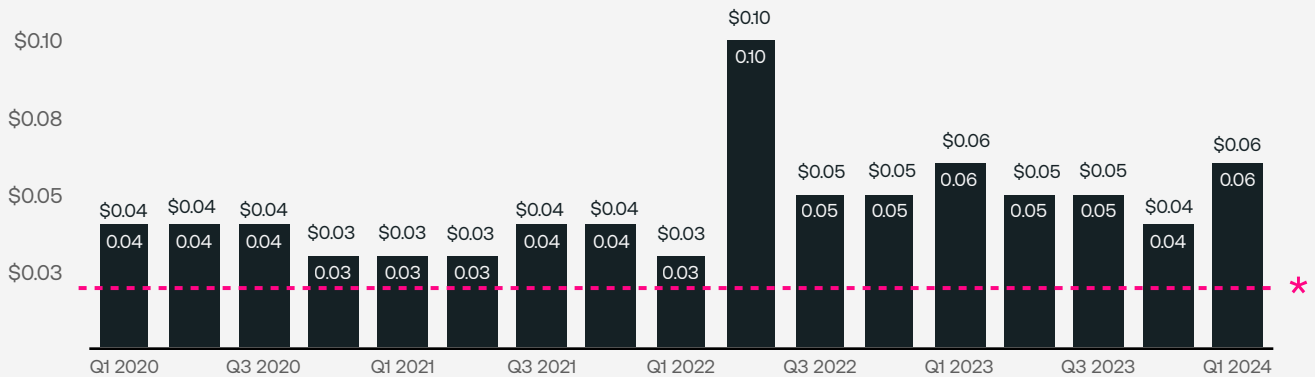
Currency Impact on North American Corporate Earnings



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

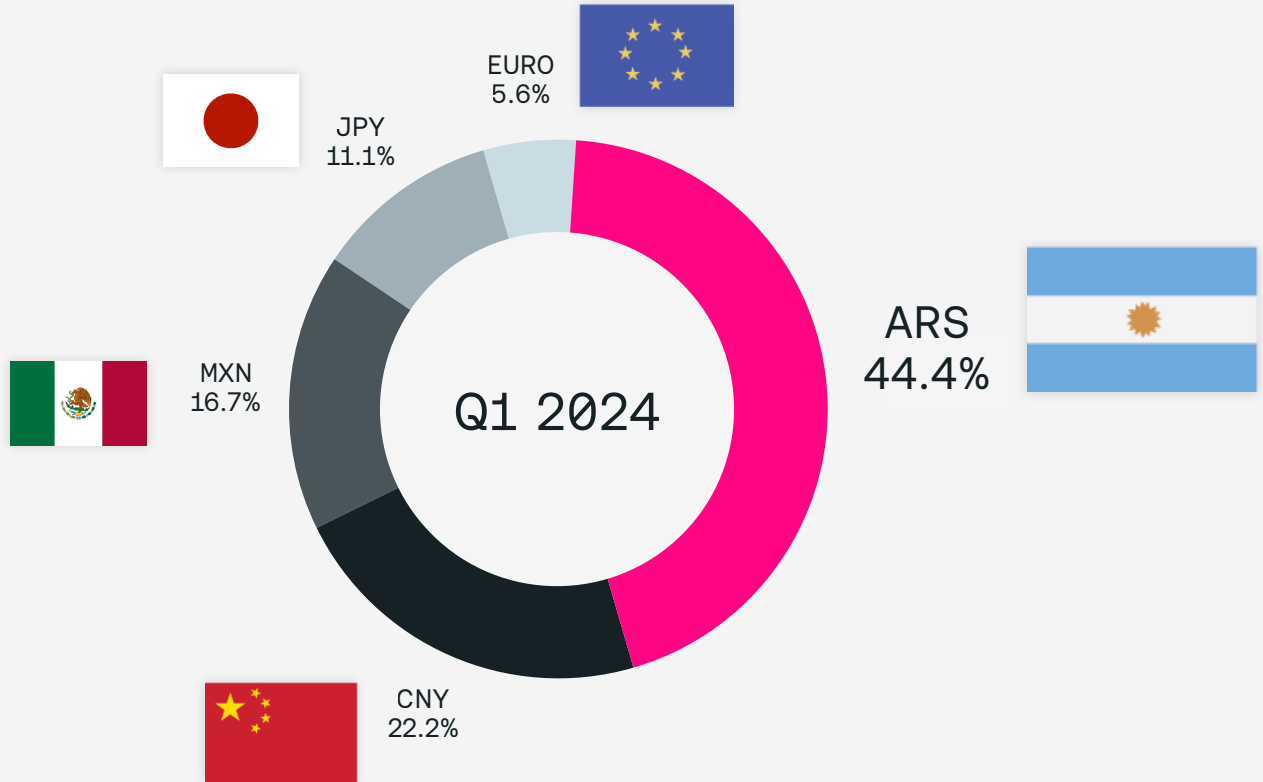
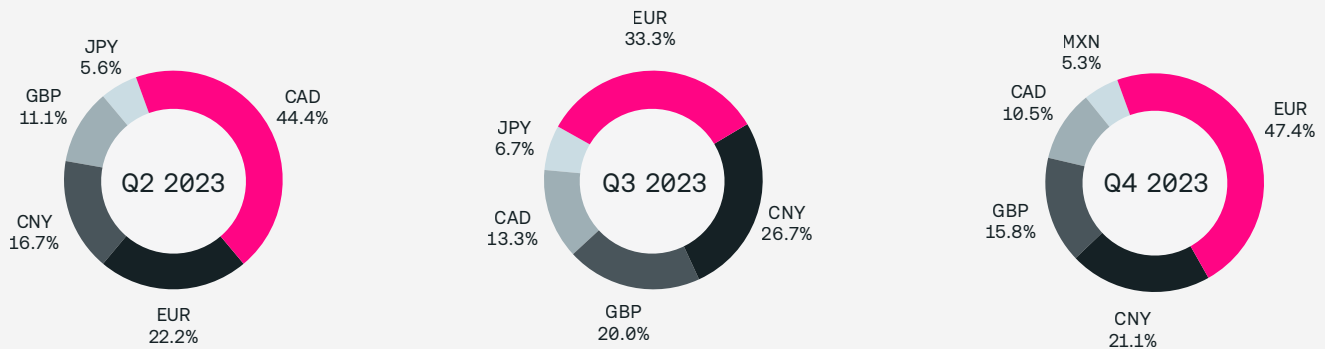
Currency Impact on North American Corporate Earnings

North American companies reported a \$8.38 billion impact in Q1 2024, 219% larger than the impact in Q4 2023.¹

The average earnings per share (EPS) impact reported by North American companies in Q1 2024 was \$0.01, six times greater than the industry standard MBO of less than \$0.01 EPS impact.

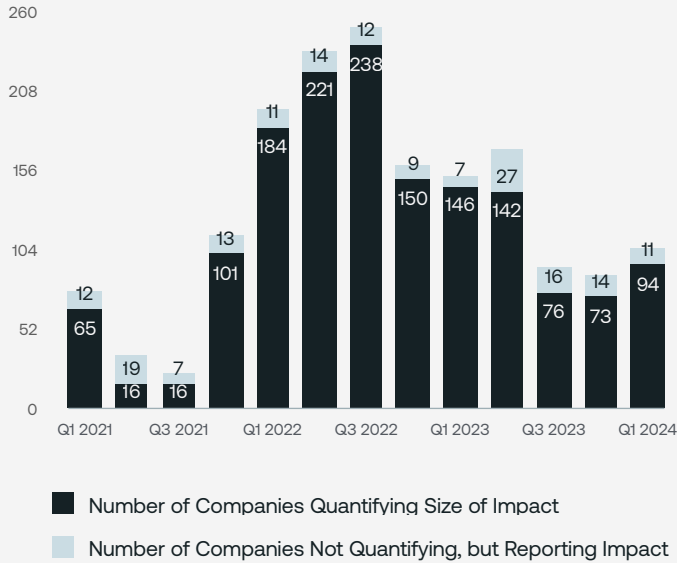
¹ Impacts are likely underestimates as most companies with currency headwinds generally do not report them.

Top Currencies Referenced by North American Companies as Impactful



The Argentinian peso was the most mentioned currency. The Chinese renminbi was the second most-mentioned, followed by the Mexican peso, the Japanese yen, and the euro. The Argentinian peso was the second most volatile currency while the Chinese renminbi was the third second most volatile currency weighted by GDP (page 6).

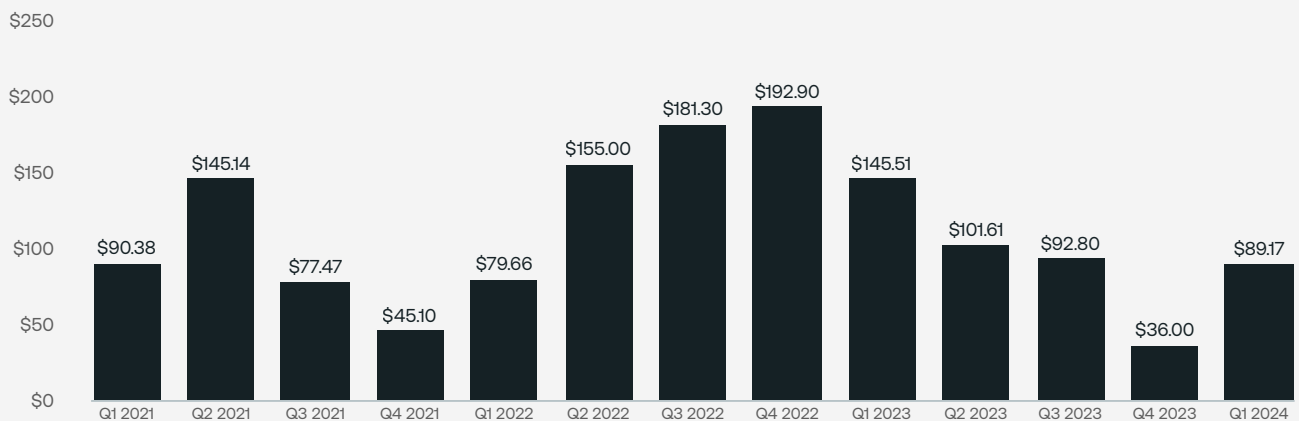
Number of North American Companies Reporting Negative Currency Impacts



Percentage of North American Companies Quantifying Impacts



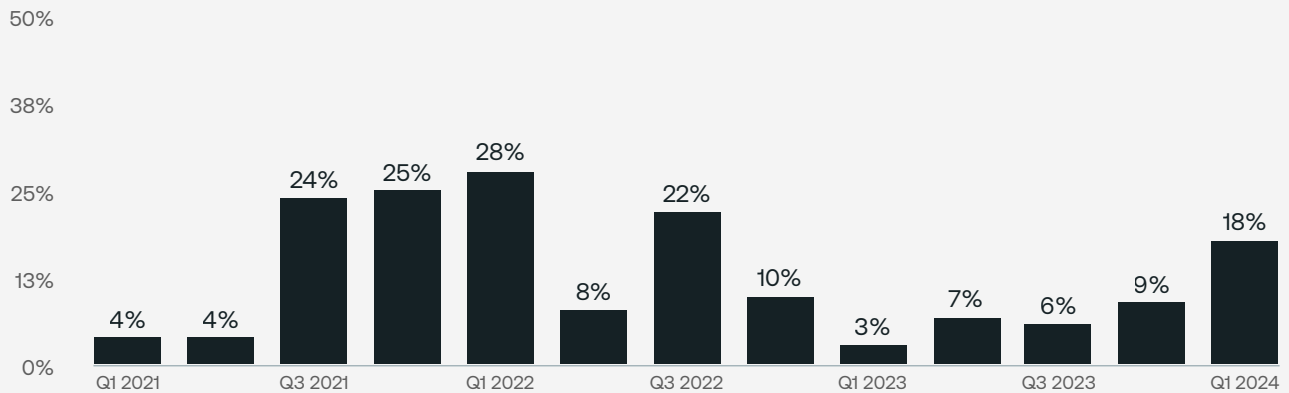
Average Negative Impact to North American Companies (Millions)



Most Impacted North American Industries



Percentage of North American Companies that Fielded Analyst Questions



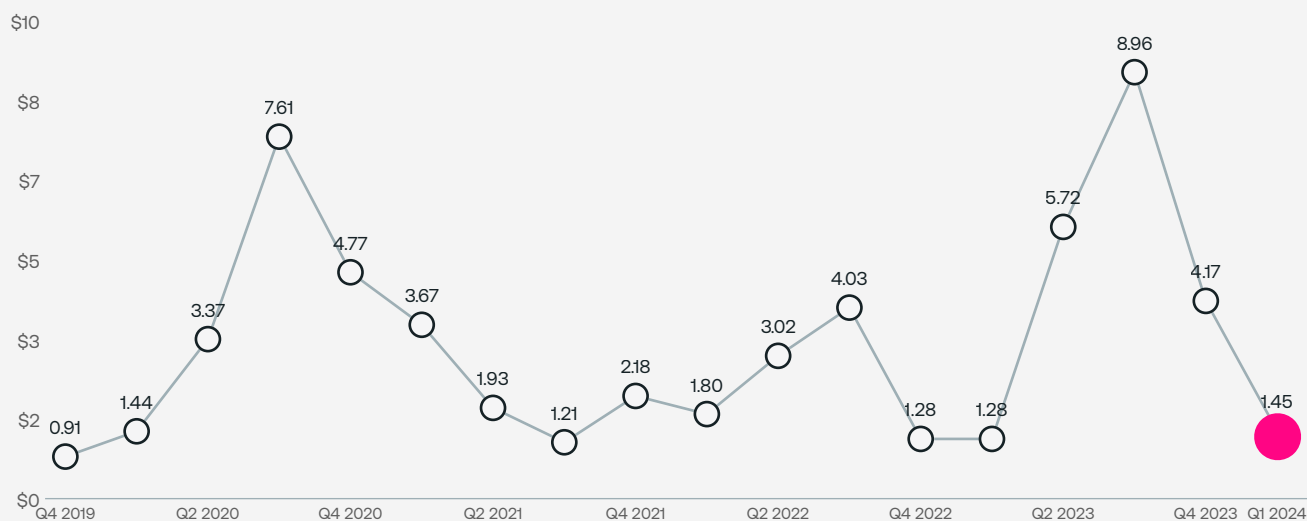
In Q1 2024 earnings calls, 18% of North American companies that reported impacts fielded analyst questions.



Currency Impact on European Corporate Earnings



Negative Currency Impact to European Companies (Billions)



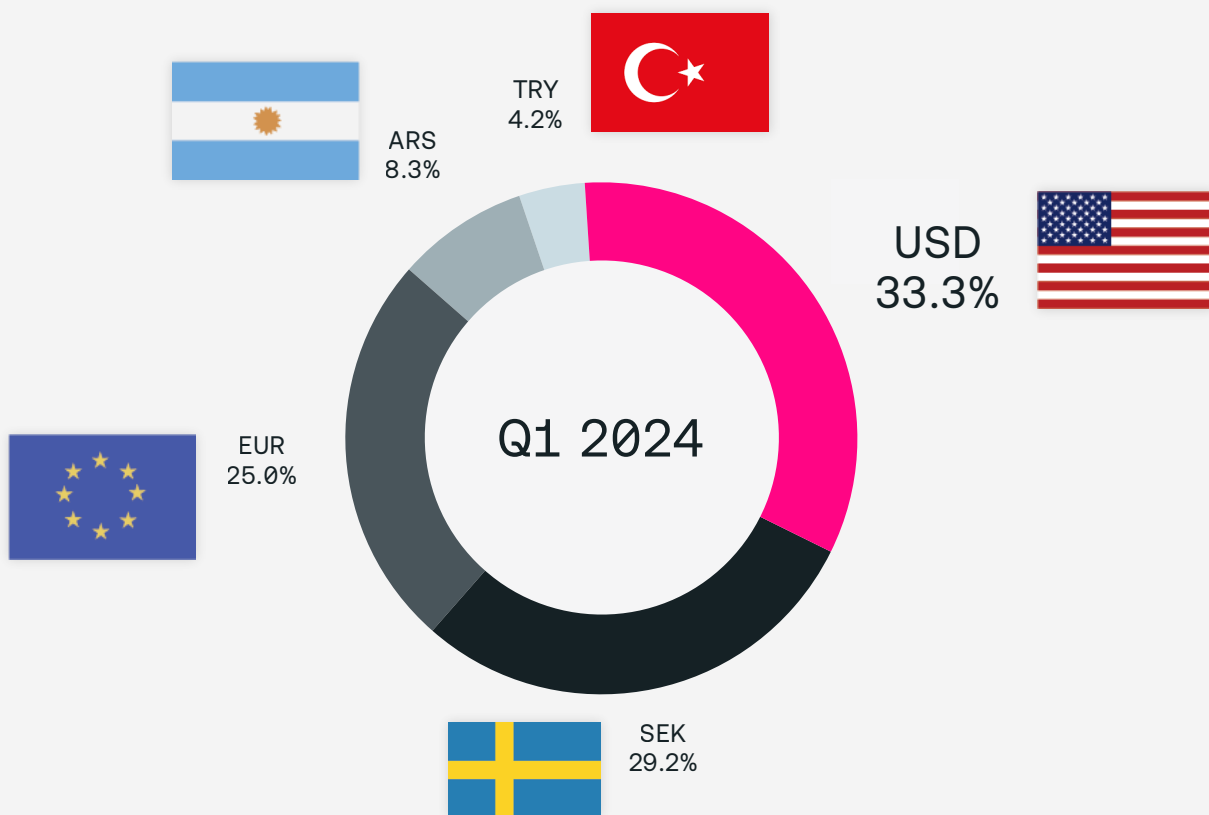
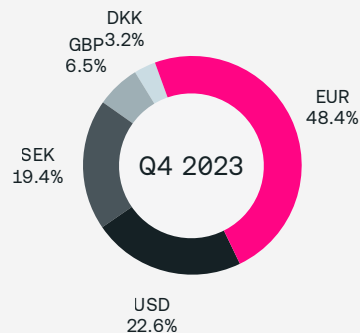
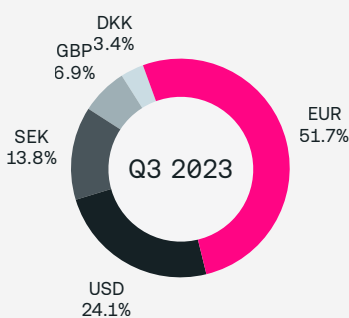
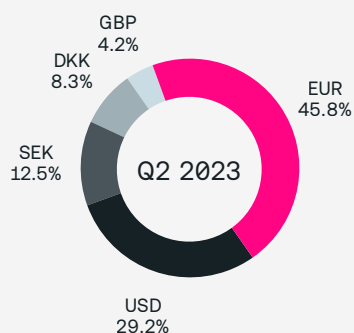
Currency Impact on European Corporate Earnings

European companies reported \$2.72 billion in FX-related losses, about 65.2% less than the previous quarter.²

Of the 850 Europe-based multinationals analyzed, 8.5% reported headwinds in Q1 2024. Of those, 36.1% quantified their negative impacts (see page 15).

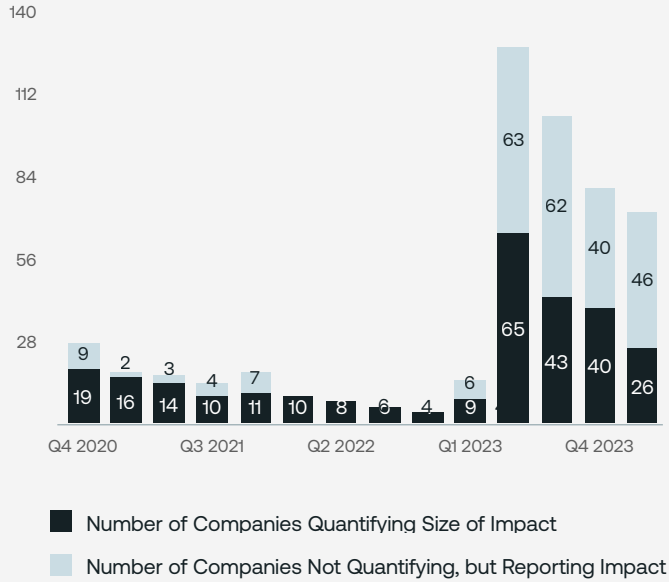
² Impacts are likely underestimates as most companies with currency headwinds generally do not report them.

Top Currencies Referenced by European Companies as Impactful

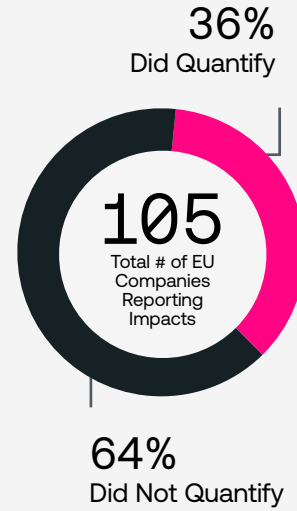


The US dollar was the most mentioned currency in earnings calls for Europe, followed by the Swedish krona and the euro. The Argentinian peso was the fourth most mentioned, followed by the Turkish lira. The Turkish lira was the most volatile currency while the euro was the most volatile currency weighted by GDP (page 6).

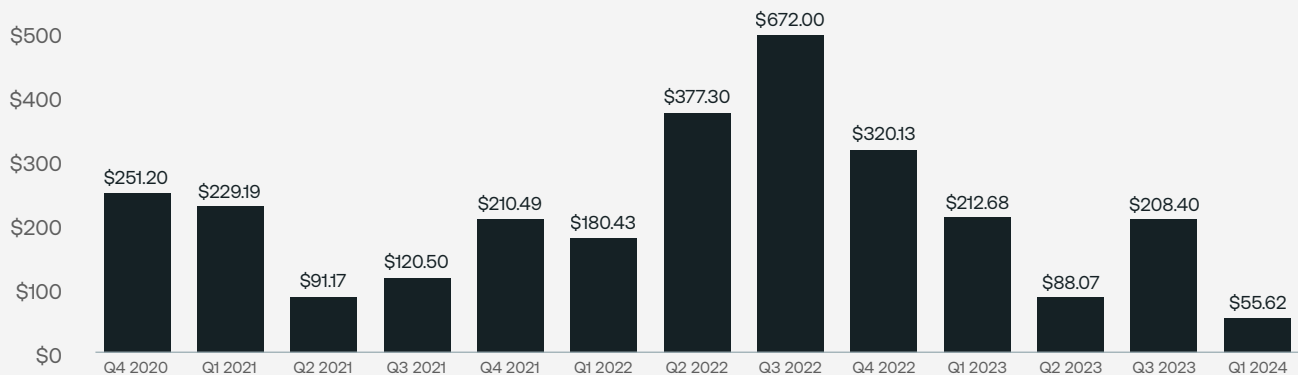
Number of European Companies Reporting Negative Currency Impact



Percentage of European Companies Quantifying Impacts



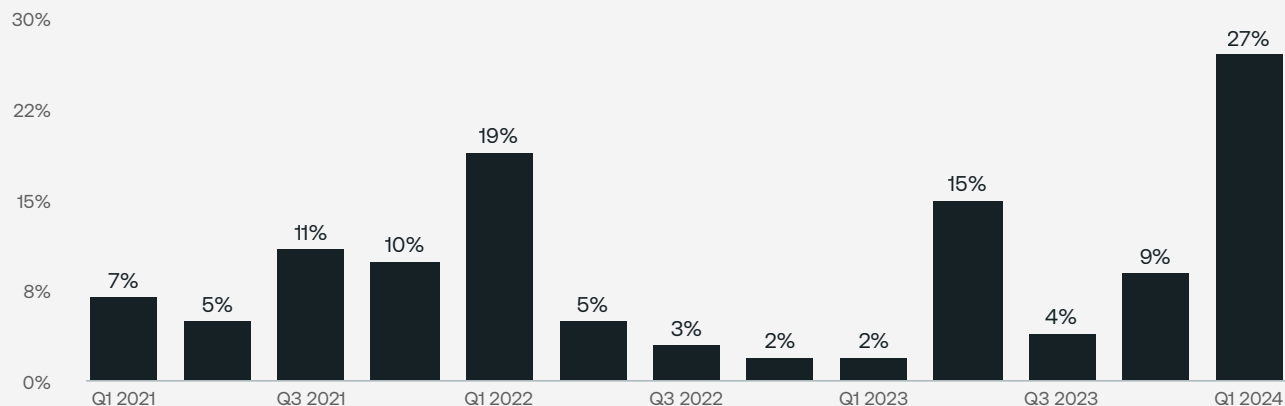
Average Negative Impact to European Companies (Millions)



Most Impacted European Industries



Percentage of European Companies that Fielded Analyst Questions



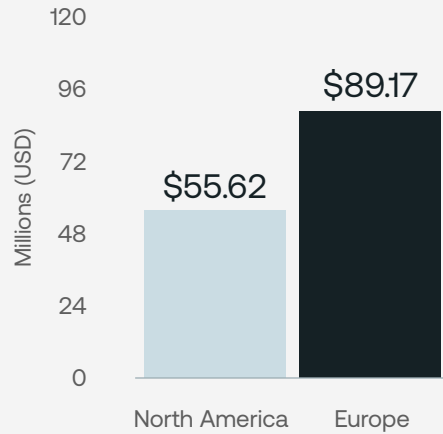
In Q1 2024 earnings calls, 27% of European companies that reported impacts fielded analyst questions.



Comparison of Currency Impact to North American and European Companies

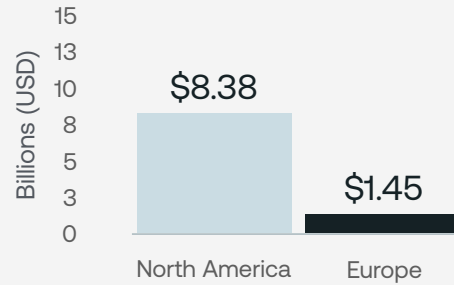


Average Quantified Negative Currency Impact (Millions)

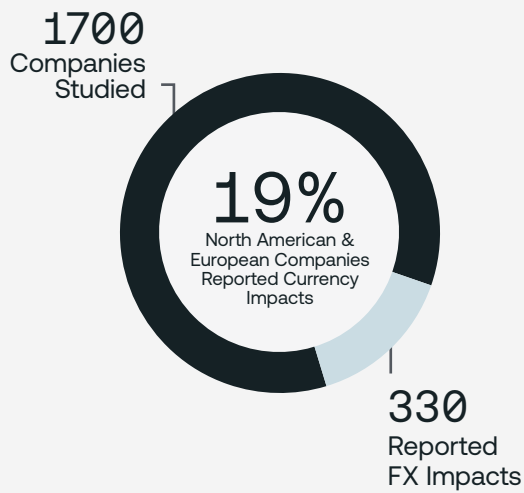


Size of Quantified Negative Currency Impact (Billions)

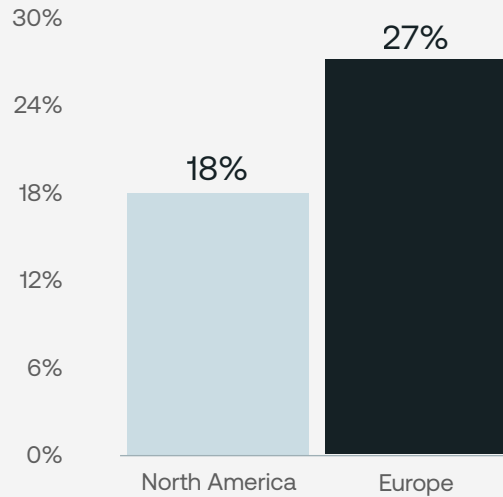
\$9.83 Billion Total Negative Q1 Impacts



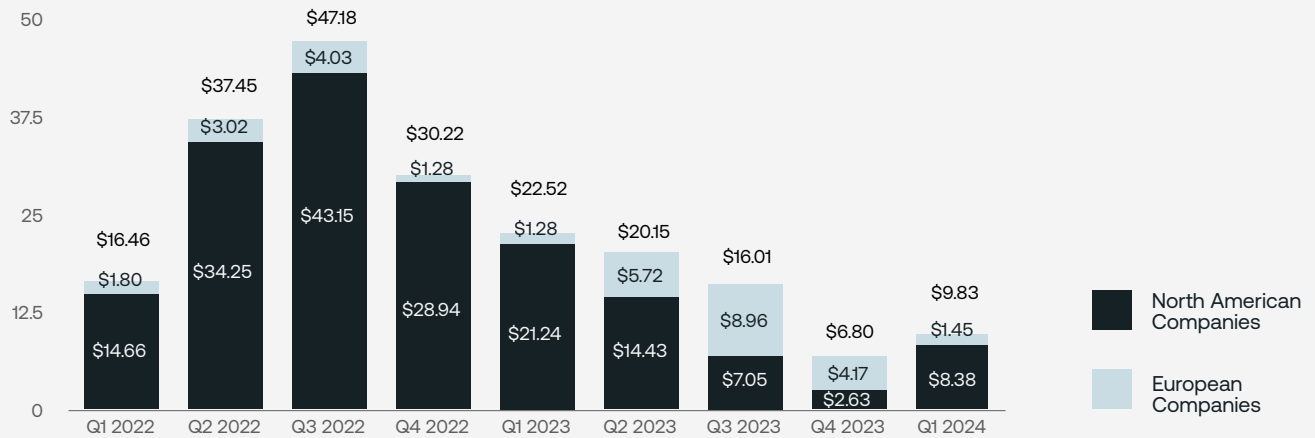
Number of Companies Reporting Currency Impacts



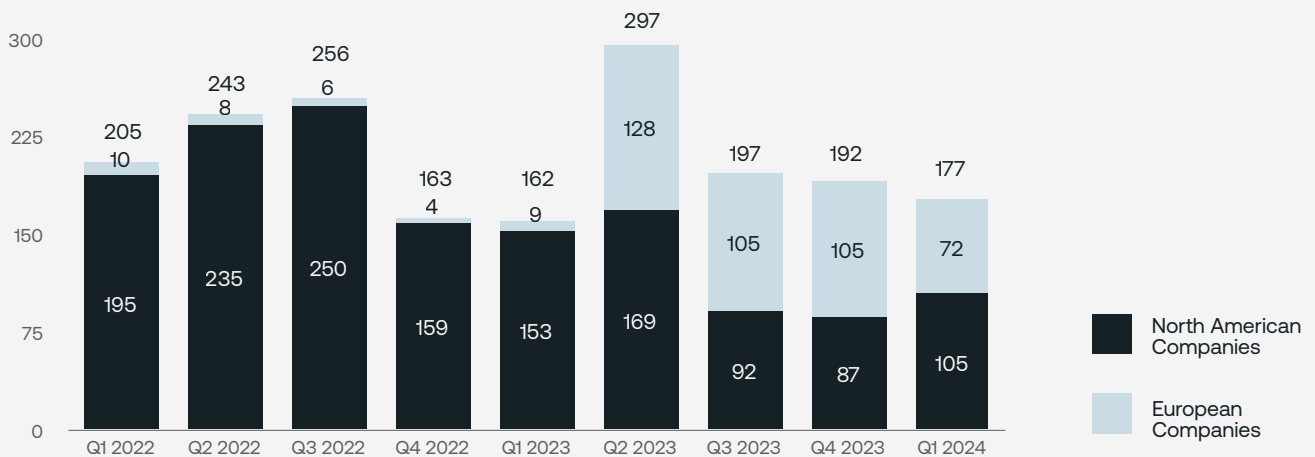
Percentage of Companies Reporting Impacts That Fielded Analyst Questions



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.