

January 2023

# Currency Impact Report

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

## About the Report

The January 2023 Kyriba Currency Impact Report analyzes the reported effects of currencies to North American and European companies' earnings during the third quarter of 2022. To obtain this information, Kyriba analyzed the earnings calls of 1,200 publicly traded North American and European companies as part of a continued effort to provide insight into how foreign exchange impacts organizations. 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.

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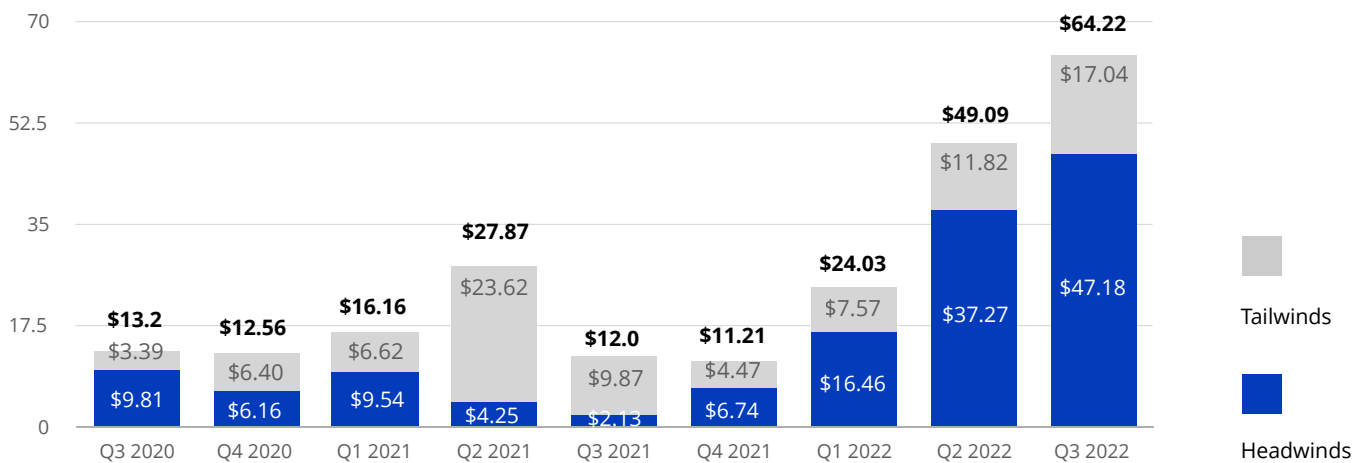
# Currency Impact Report Overview

# Kyriba Currency Impact Report

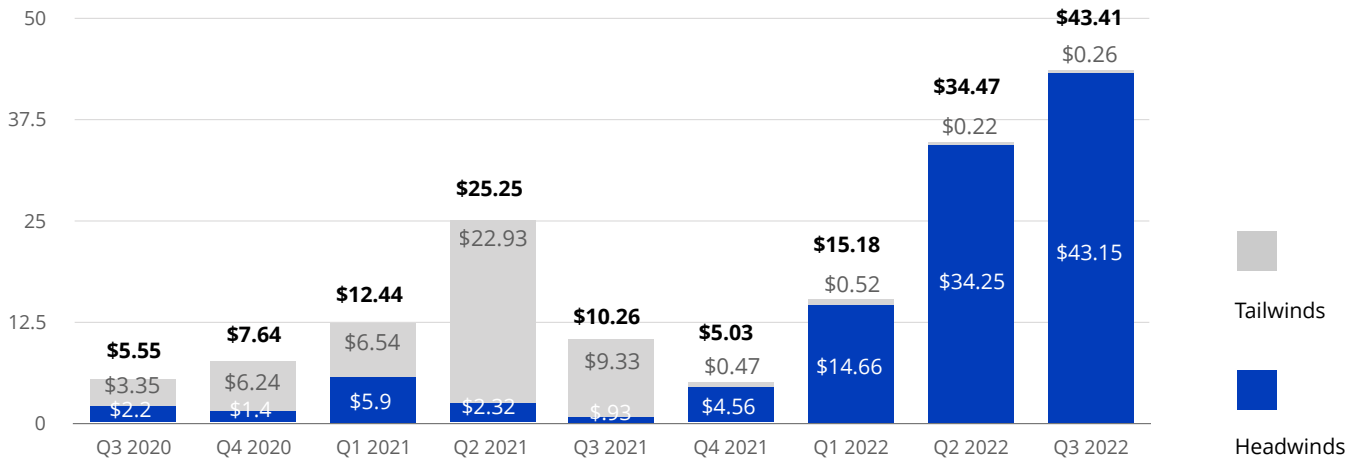
## Key Findings

- The collective quantified negative impact reported by both North American and European companies totaled \$47.18 billion in Q3 2022, a 26.6% increase from Q2 2022.
- 24% of corporates studied (289/1200) quantified +/- impacts totaling \$64.22 billion (\$47.18 billion headwinds), (\$17.04 billion tailwinds).
- The euro was the currency most mentioned as impactful by North American and European companies, the Argentine peso was the most volatile currency.
- 256 North American and European companies reported currency headwinds in Q3 2022. Of those companies, 244 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

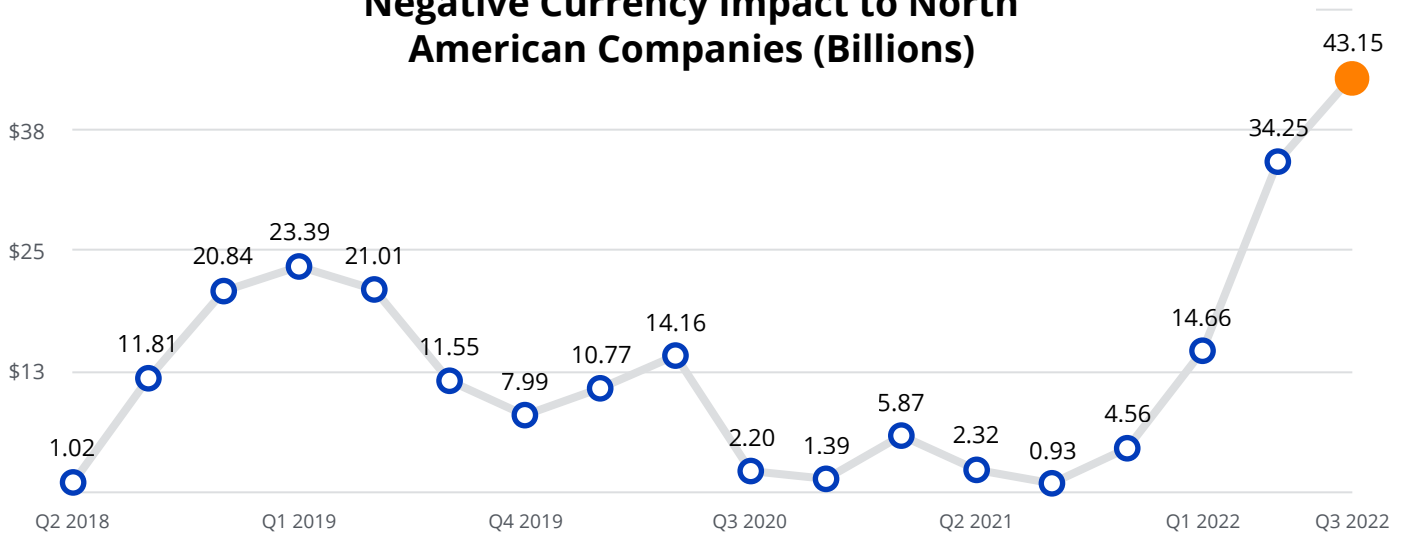


## Top 5 Volatile Currencies as Weighted by GDP Percentage

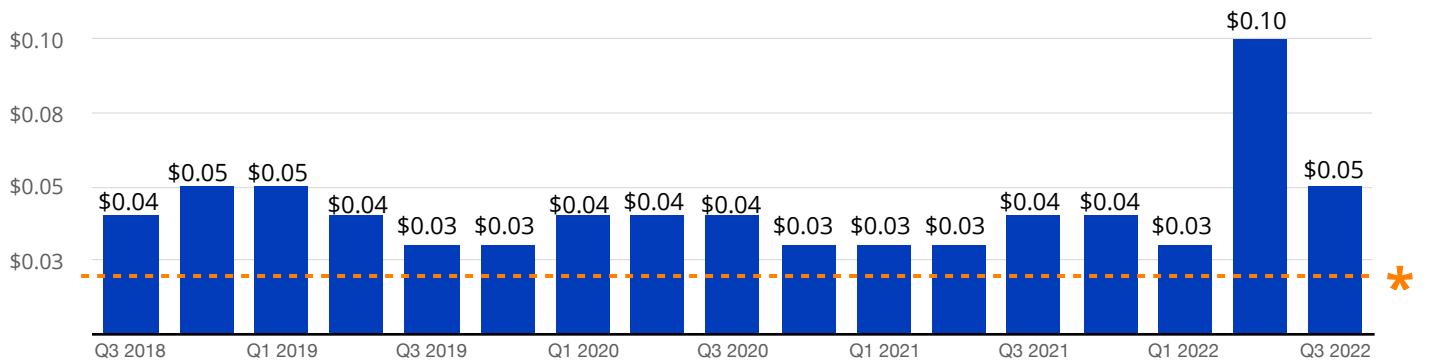


# Currency Impact on North American Corporate Earnings

## 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

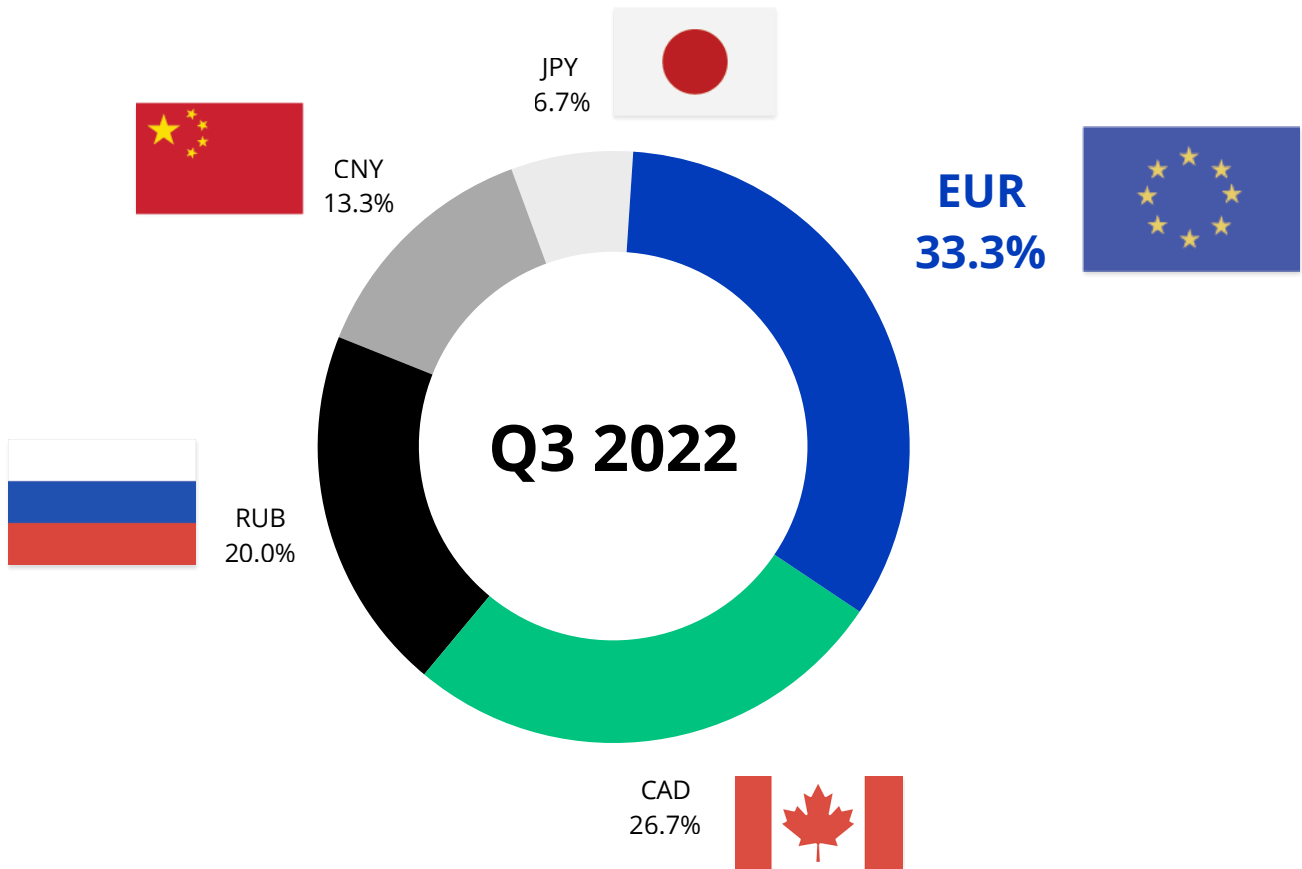
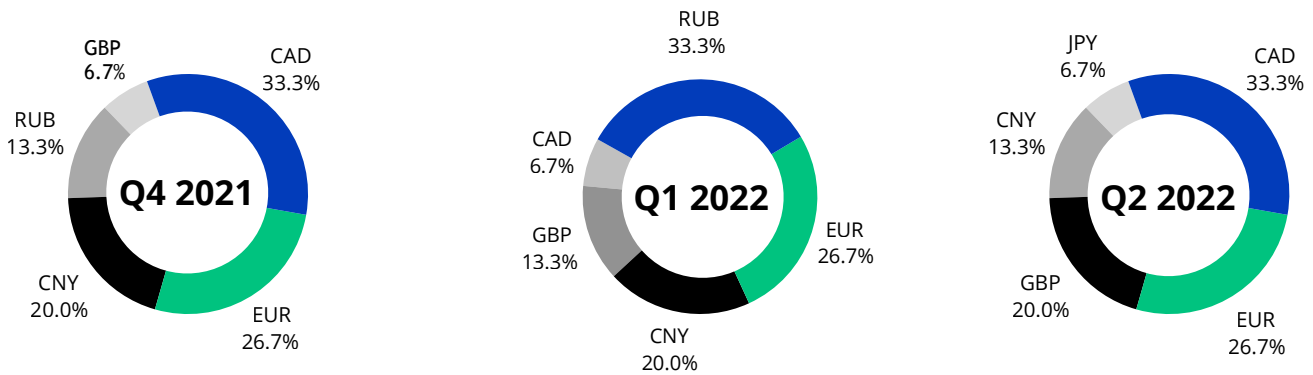
North American companies reported a \$43.15 billion impact in Q3 2022, 26% larger than the impact in Q2 2022.<sup>1</sup>

The average earnings per share (EPS) impact reported by North American companies in Q3 2022 was \$0.05, five times greater than the industry standard MBO of less than \$0.01 EPS impact.

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

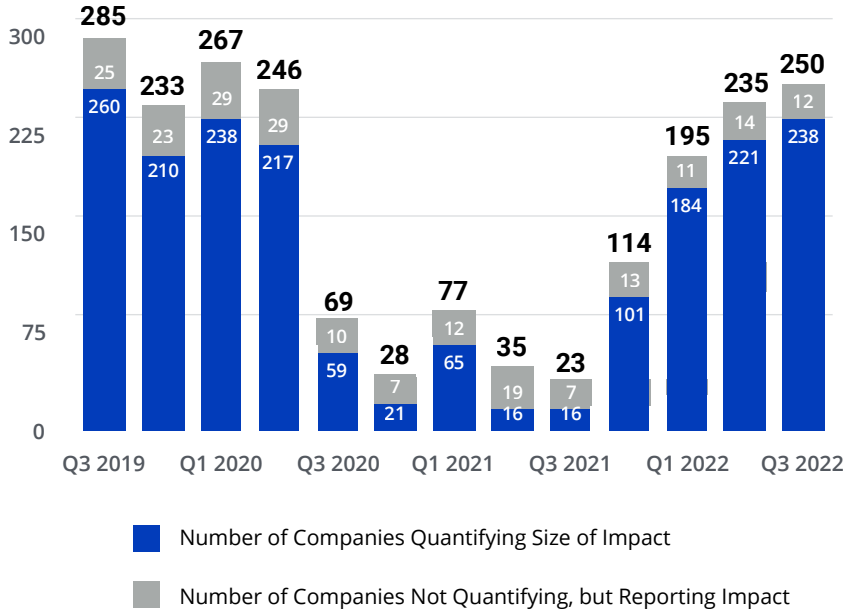


## Top Currencies Referenced by North American Companies as Impactful

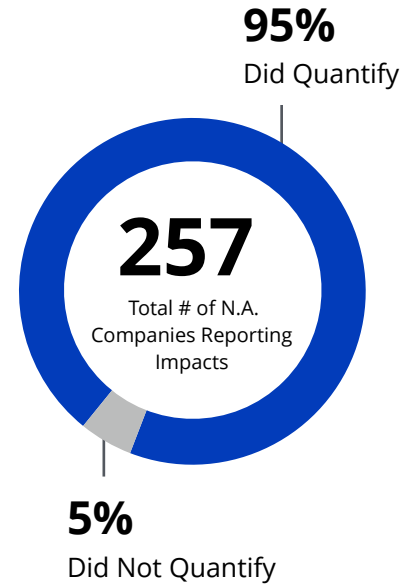


The euro was the most mentioned currency, a continuation from the prior quarter. The Canadian dollar was the second most-mentioned, followed by the Russian ruble, the Chinese renminbi, and the yen. The euro was the most volatile currency weighted by GDP (page 6).

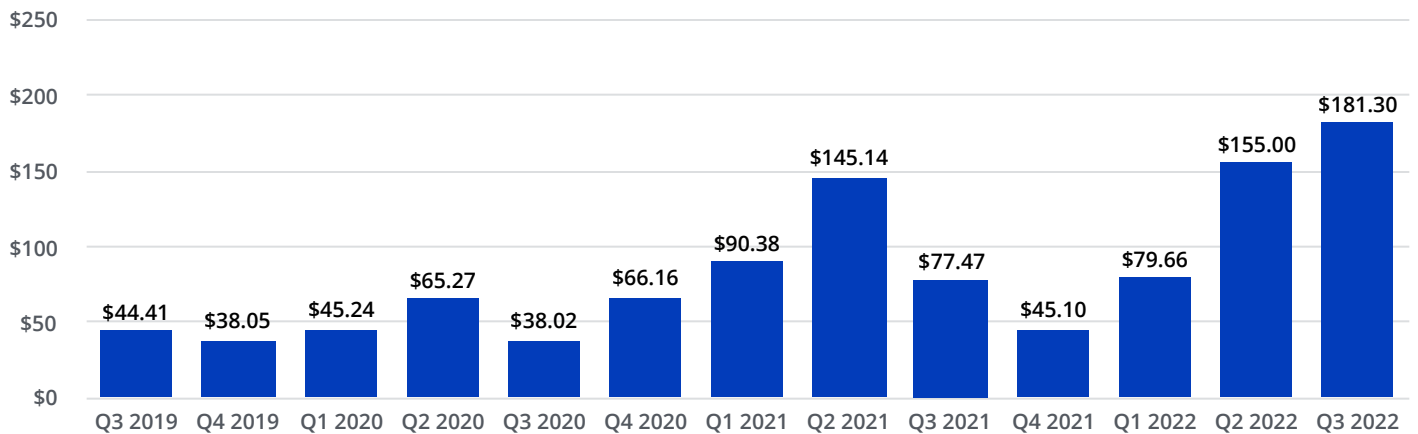
## Number of North American Companies Reporting Negative Currency Impacts



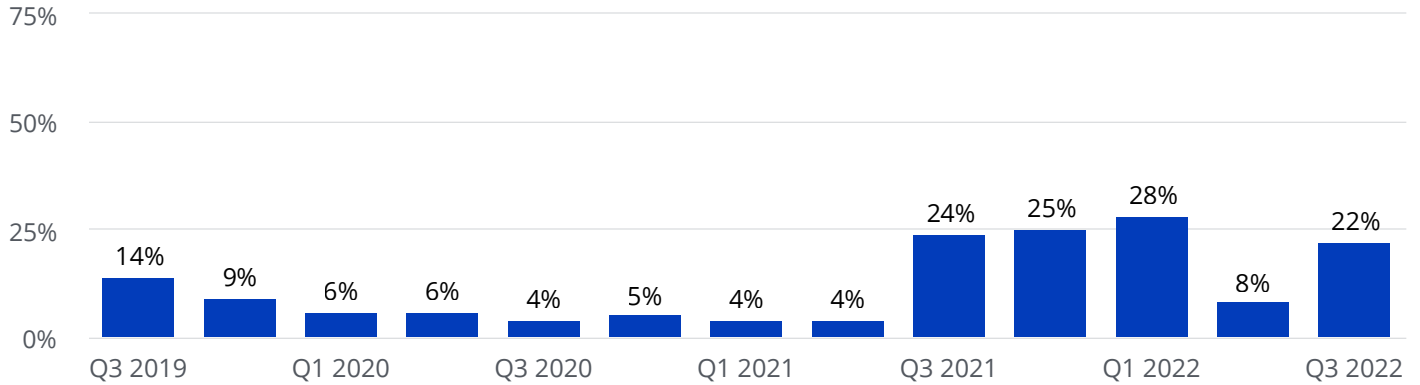
## Percentage of North American Companies Quantifying Impacts



## Average Negative Impact to North American Companies (Millions)

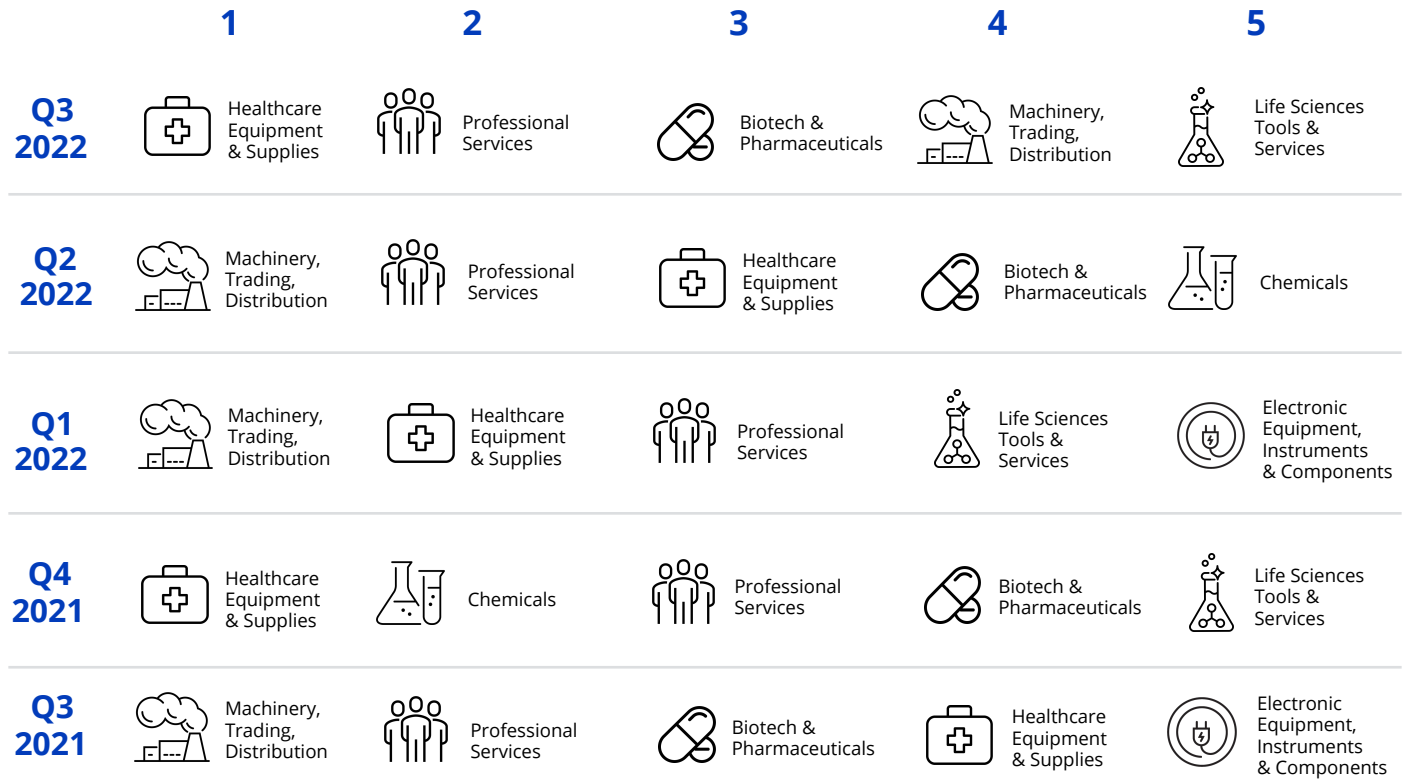


## Percentage of North American Companies That Fielded Analyst Questions



In Q3 2022 earnings calls, 22 percent of North American companies that reported impacts fielded analyst questions.

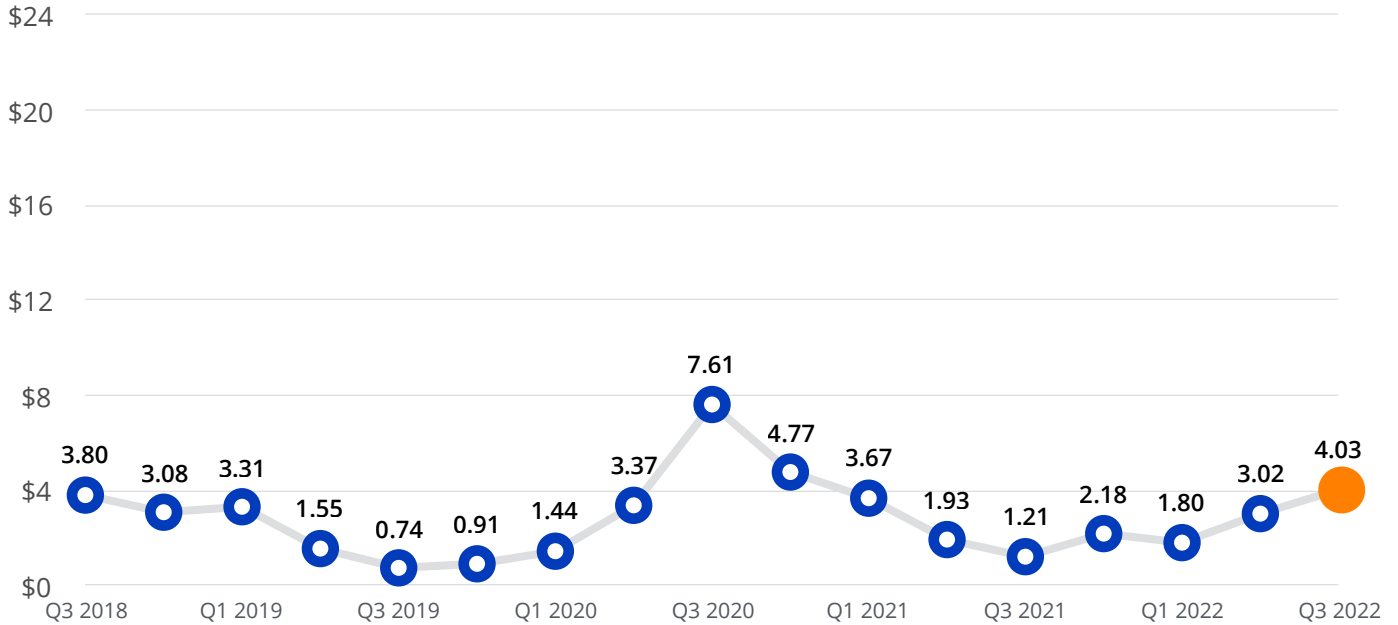
## Most Impacted North American Industries



# Currency Impact on European Corporate Earnings



## Negative Currency Impact to European Companies (Billions)



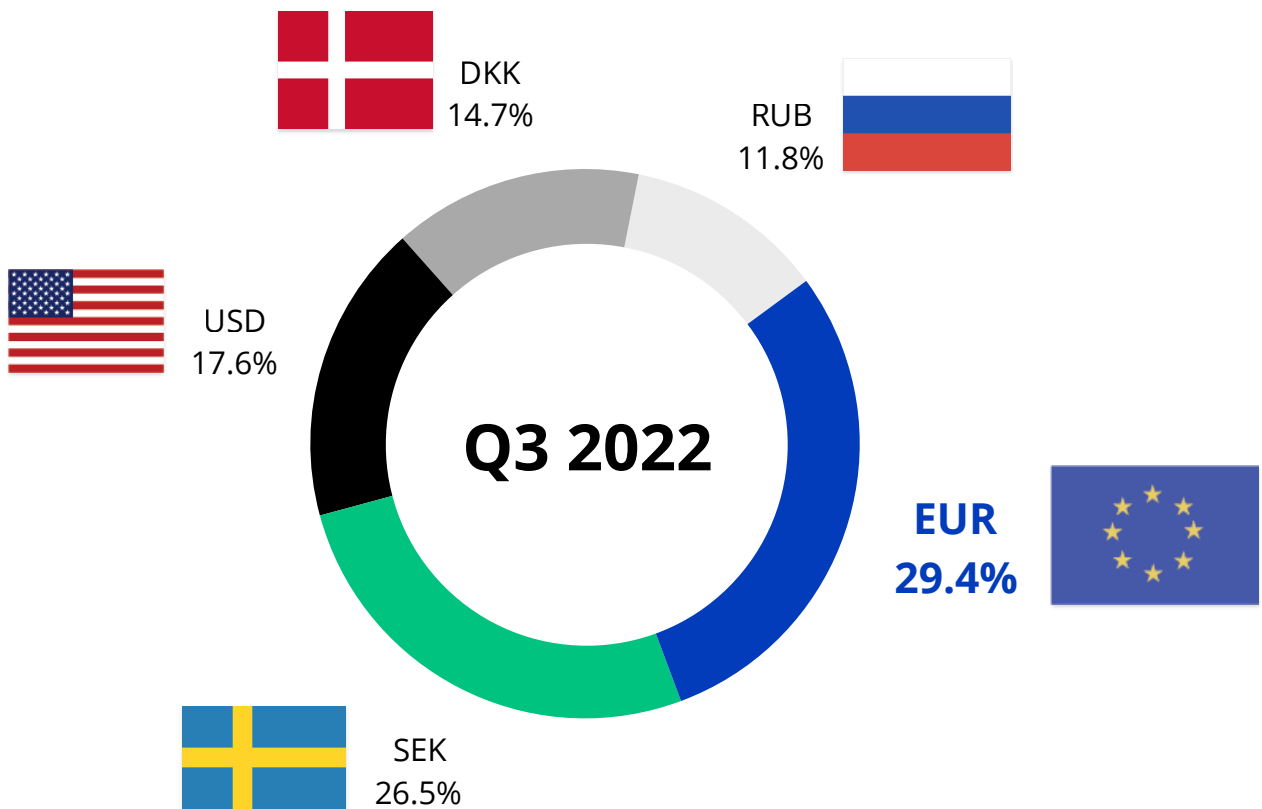
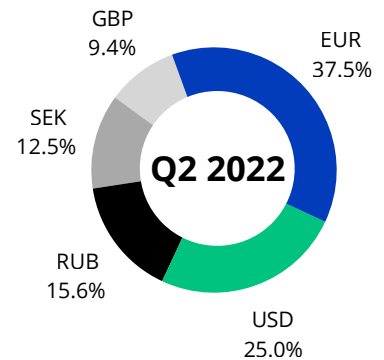
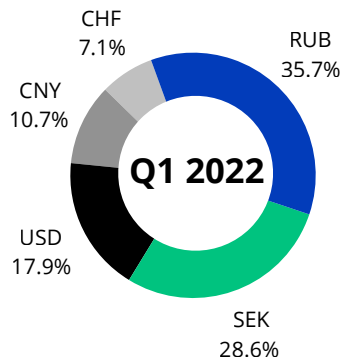
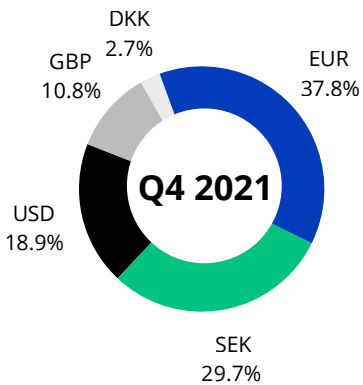
## Currency Impact on European Corporate Earnings

Increasing from last quarter, European companies reported an 33% percent increase in negative currency impacts, with companies reporting \$4.03 billion in FX-related losses.<sup>2</sup>

Of the 350 Europe-based multinationals analyzed, 1.7% reported headwinds in Q3 2022. Of those, 100% quantified their negative impacts (see page 15).

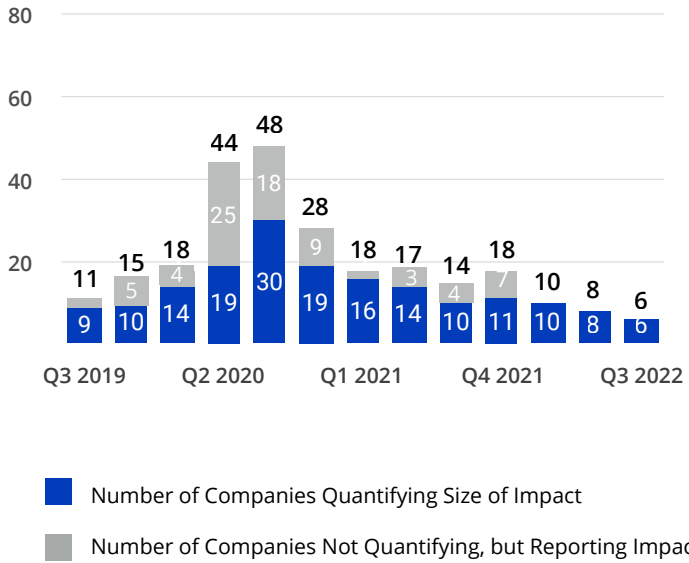
<sup>2</sup> Impacts are likely underestimates as most companies with currency headwinds generally do not report them.

## Top Currencies Referenced by European Companies as Impactful

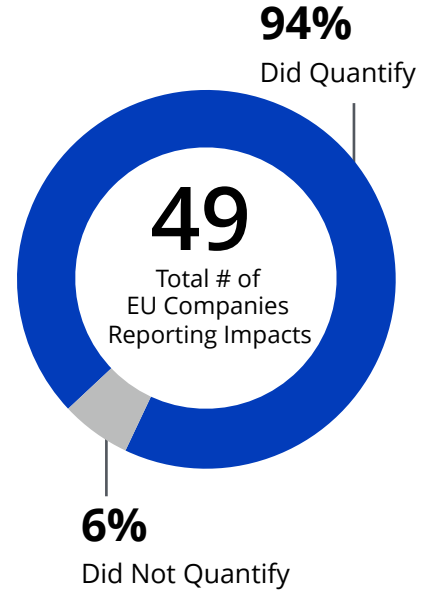


The euro was the most mentioned currency in earnings calls for Europe, followed by the Swedish krona and the US dollar. The Danish krone was the fourth most mentioned, followed by the Russian ruble. The ruble was the fourth most volatile currency as well (page 6).

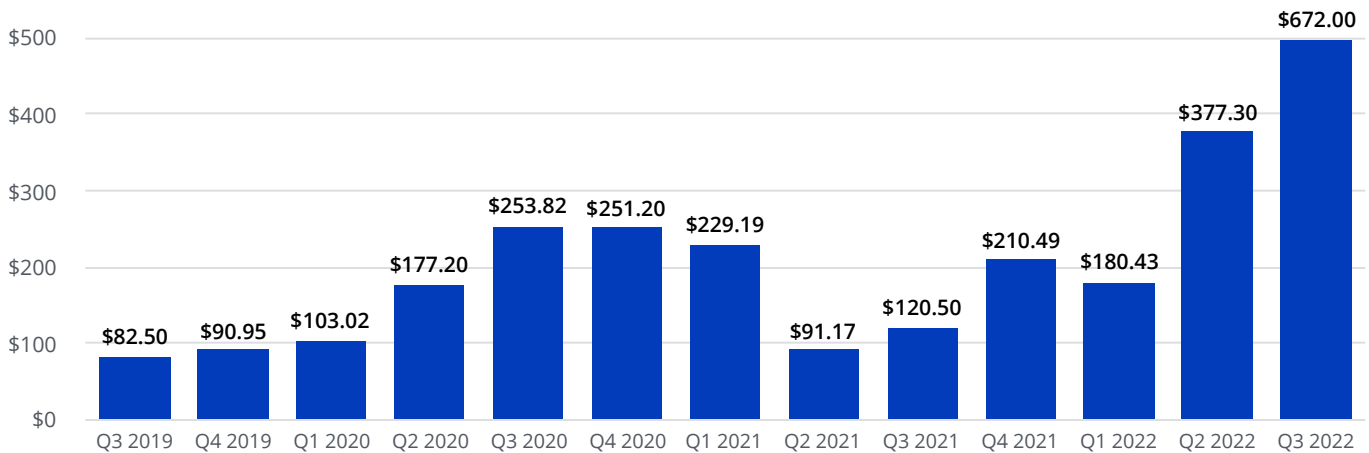
## Number of European Companies Reporting Negative Currency Impact



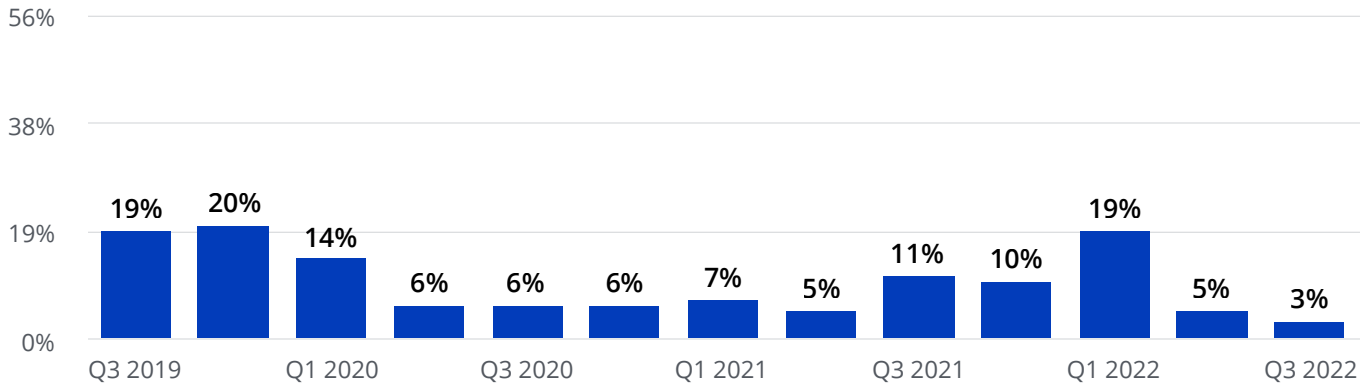
## Percentage of European Companies Quantifying Impacts



## Average Negative Impact to European Companies (Millions)



## Percentage of European Companies That Fielded Analyst Questions



In Q3 2022 earnings calls, 3 percent of European companies that reported impacts fielded analyst questions.

## Most Impacted European Industries

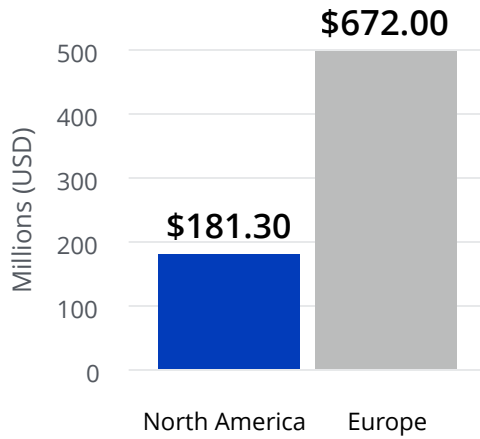




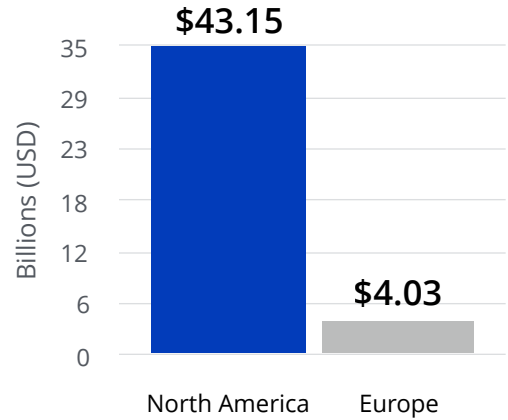
# Comparison of Currency Impact to North American and European Companies



### Average Quantified Negative Currency Impact (Millions)

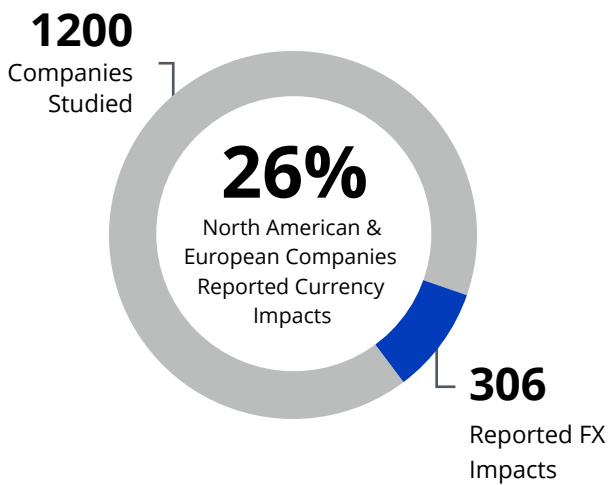


### Size of Quantified Negative Currency Impact (Billions)

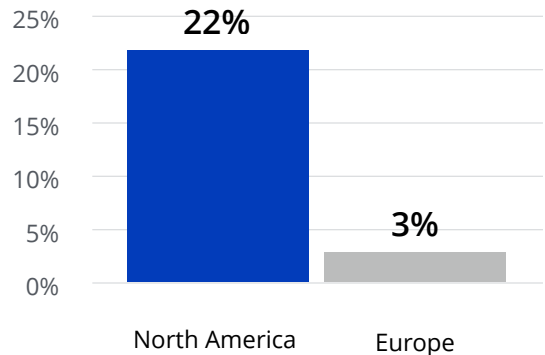


**\$47.18 Billion Total Negative Q3 Impacts**

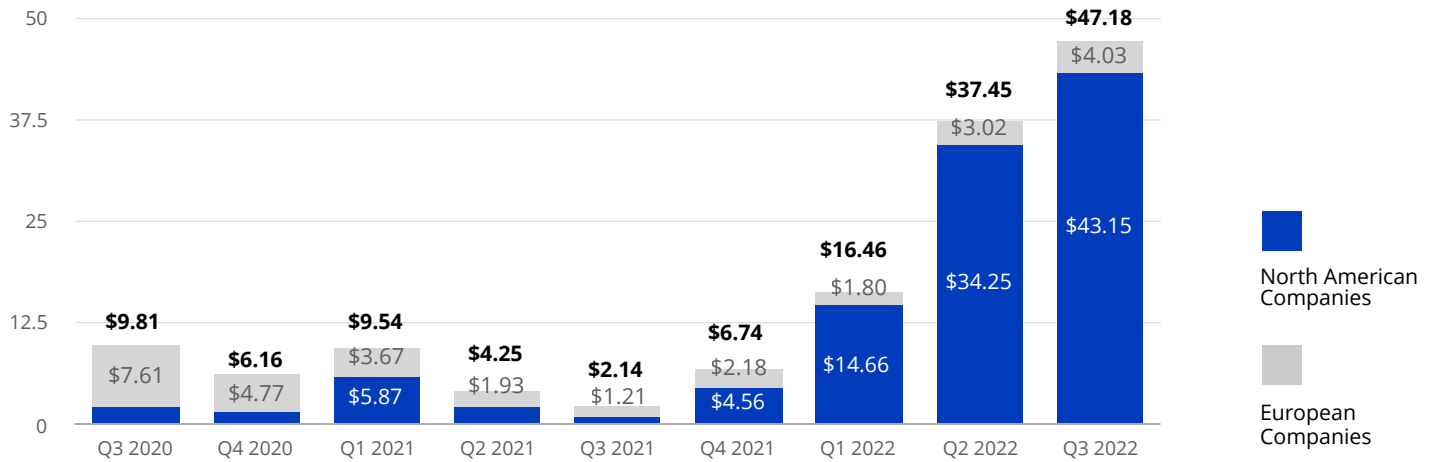
### Number of Companies Reporting Currency Impacts



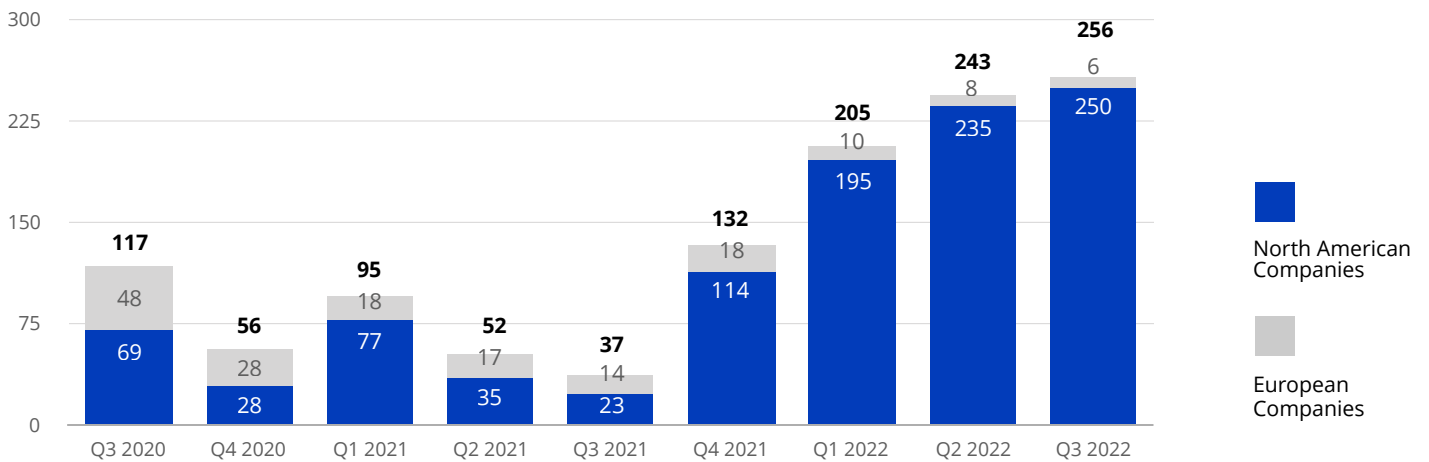
### Percentage of Companies Reporting Impacts That Fielded Analyst Questions



## Quantified Negative Currency Impact (Billions)



## Number of Companies Reporting Negative Currency Impact



### About Kyriba Corp.

Kyriba empowers CFOs, Treasurers, and their IT counterparts to transform treasury, payments, working capital, and connectivity solutions to activate liquidity as a dynamic, real-time vehicle for growth and value creation. Kyriba is a secure, scalable SaaS platform that leverages artificial intelligence, automates payments workflows, and enables thousands of multinational corporations and banks to maximize growth, protect against loss from fraud and financial risk, and reduce operational costs. With over 2,500 clients worldwide, including 25% of Fortune 500 and Eurostoxx 50 companies, Kyriba manages more than 1.3 billion bank transactions per year, and 250 million payments for a total value of \$15 Trillion annually. Kyriba is headquartered in San Diego, with offices globally. For more information, visit [www.kyriba.com](http://www.kyriba.com).