

May 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 May 2023 Kyriba Currency Impact Report analyzes the reported effects of currencies to North American and European companies' earnings during the fourth 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

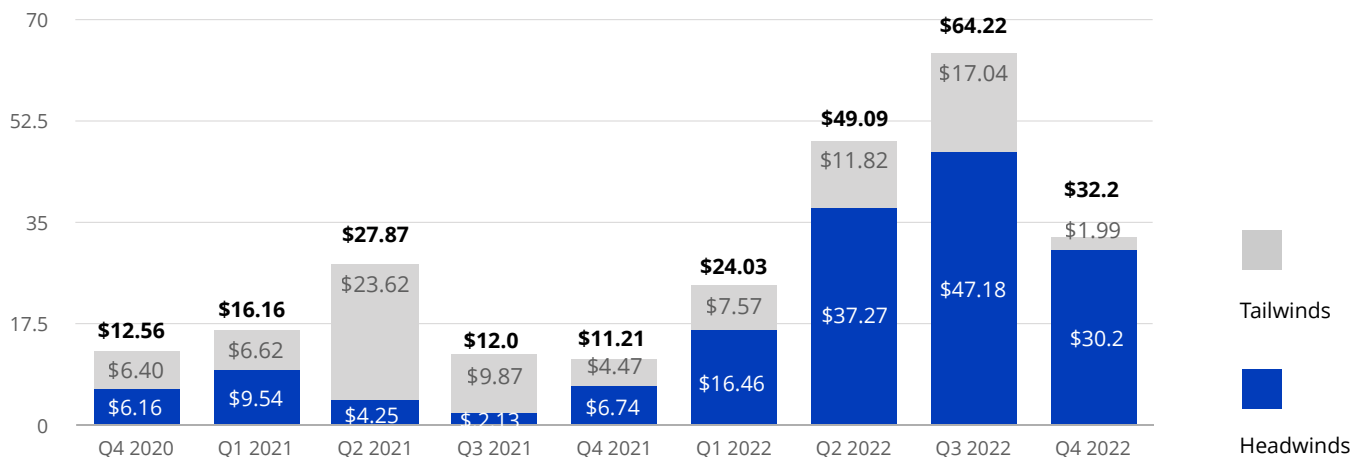
## Overview

## Kyriba Currency Impact Report

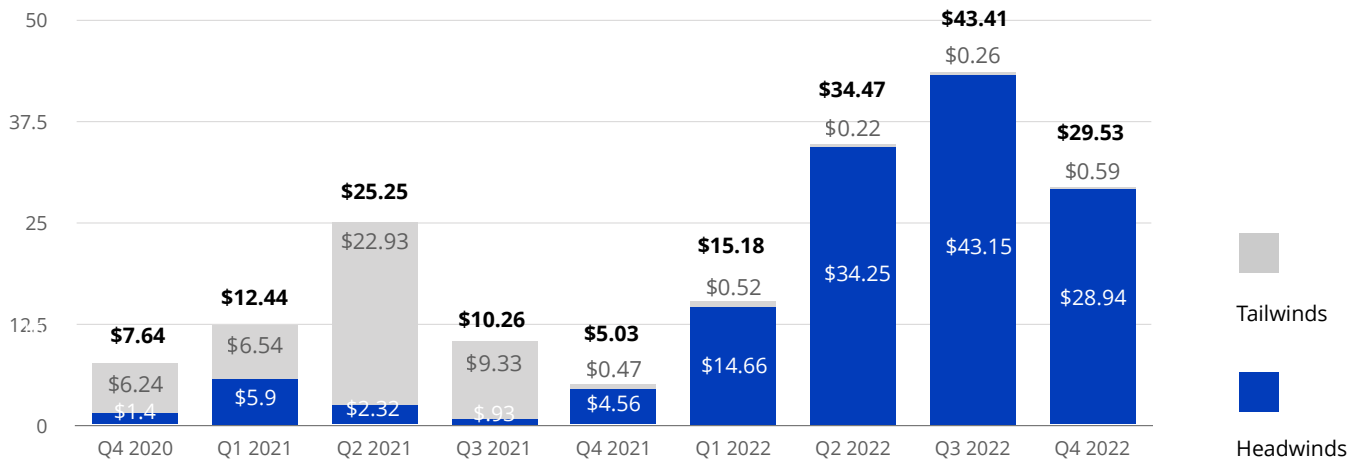
### Key Findings

- The collective quantified negative impact reported by both North American and European companies totaled \$30.26 billion in Q4 2022, a 35.9% decrease from Q3 2022.
- 14% of corporates studied (166/1200) quantified +/- impacts totaling \$32.21 billion (\$30.22 billion headwinds), (\$1.99 billion tailwinds).
- The euro was the currency most mentioned as impactful by North American and European companies, while the Korean won was the most volatile currency.
- 163 North American and European companies reported currency headwinds in Q4 2022. Of those companies, 154 (94.5%) companies quantified their FX impacts.

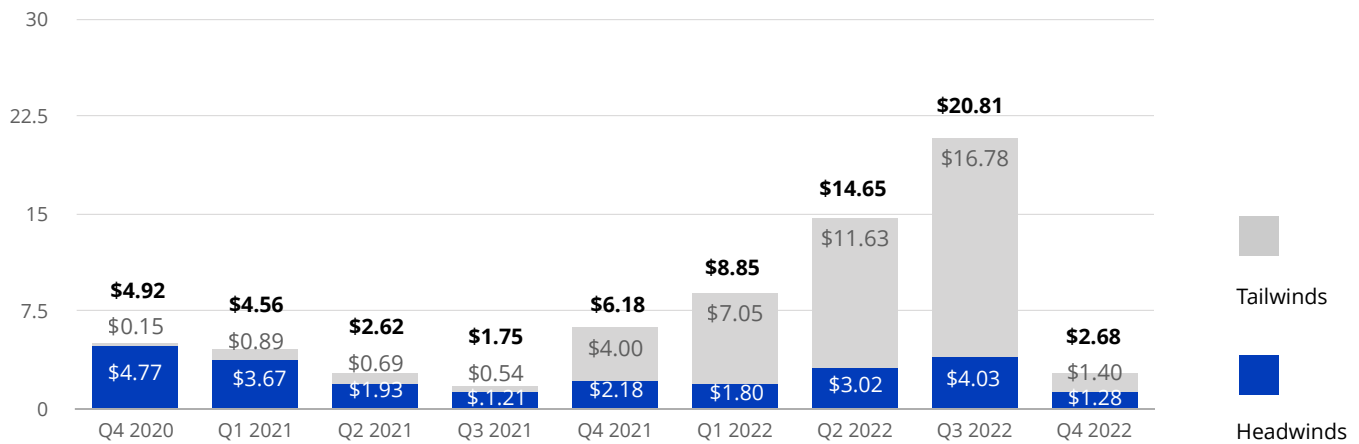
### Total Quantified Currency Impacts by North American and European Companies (Billions)



## North American Companies' Quantified Currency Impact (Billions)























## European Companies' Quantified Currency Impact (Billions)



## Top 5 Volatile G20 Currencies

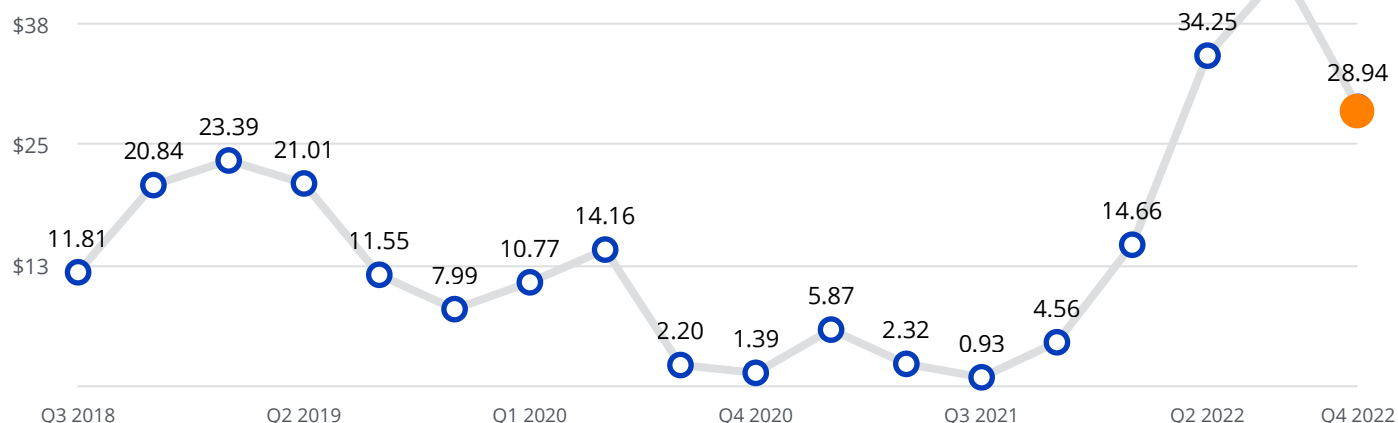
	1	2	3	4	5
Q4 2022	 KRW	 ARS	 RUB	 EUR	 GBP
Q3 2022	 ARS	 KRW	 GBP	 RUB	 JPY
Q2 2022	 RUB	 TRY	 BRL	 EUR	 ARS
Q1 2022	 RUB	 BRL	 TRY	 ARS	 ZAR

## Top 5 Volatile Currencies as Weighted by GDP Percentage

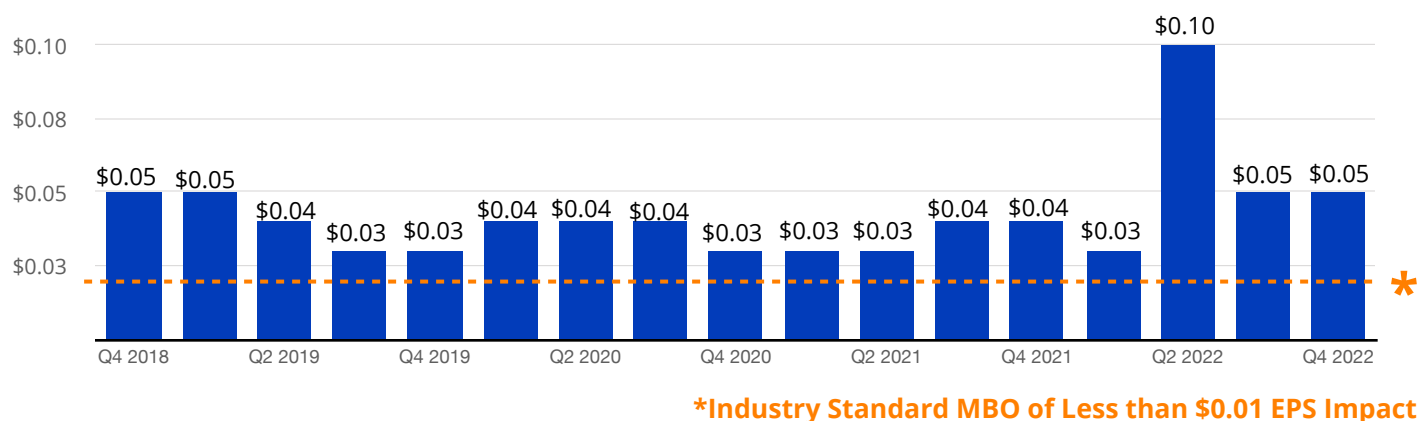
	1	2	3	4	5
Q4 2022	 EUR	 CNY	 GBP	 KRW	 RUB
Q3 2022	 EUR	 CNY	 JPY	 GBP	 KRW
Q2 2022	 EUR	 CNY	 RUB	 JPY	 BRL
Q1 2022	 RUB	 EUR	 BRL	 JPY	 GBP

# Currency Impact on North American Corporate Earnings

## Negative Currency Impact to North American Companies (Billions)



## Average EPS Impact Reported by North American Companies



## Currency Impact on North American Corporate Earnings

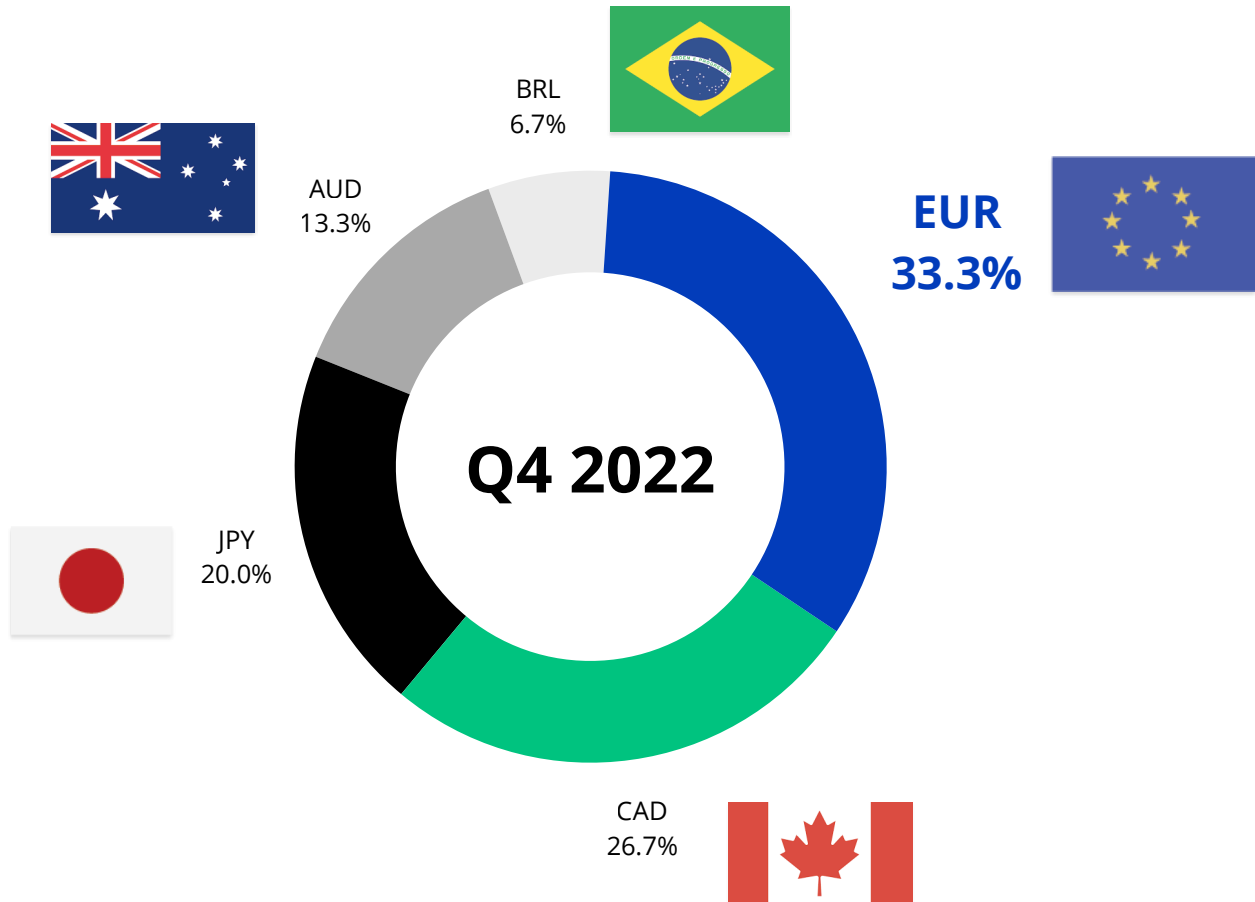
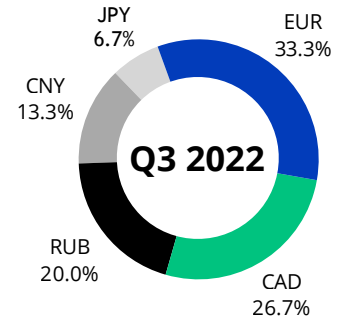
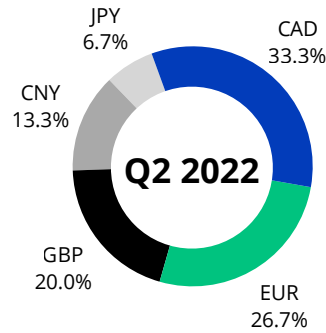
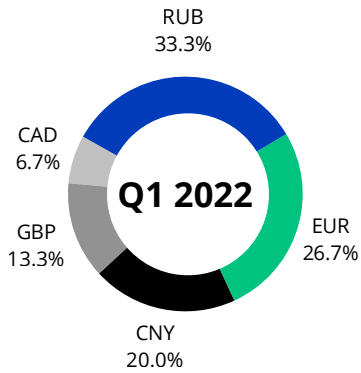
North American companies reported a \$28.94 billion impact in Q2 2022, 33% smaller than the impact in Q3 2022.<sup>1</sup>

The average earnings per share (EPS) impact reported by North American companies in Q4 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

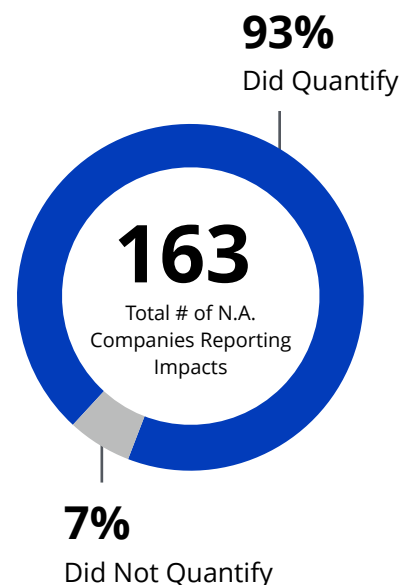


The euro was the most mentioned currency, a continuation from the prior quarter. The Canadian dollar was the second most-mentioned, followed by the Japanese Yen, the Australian dollar, and the Brazilian real. The euro was the most volatile currency weighted by GDP (page 6).

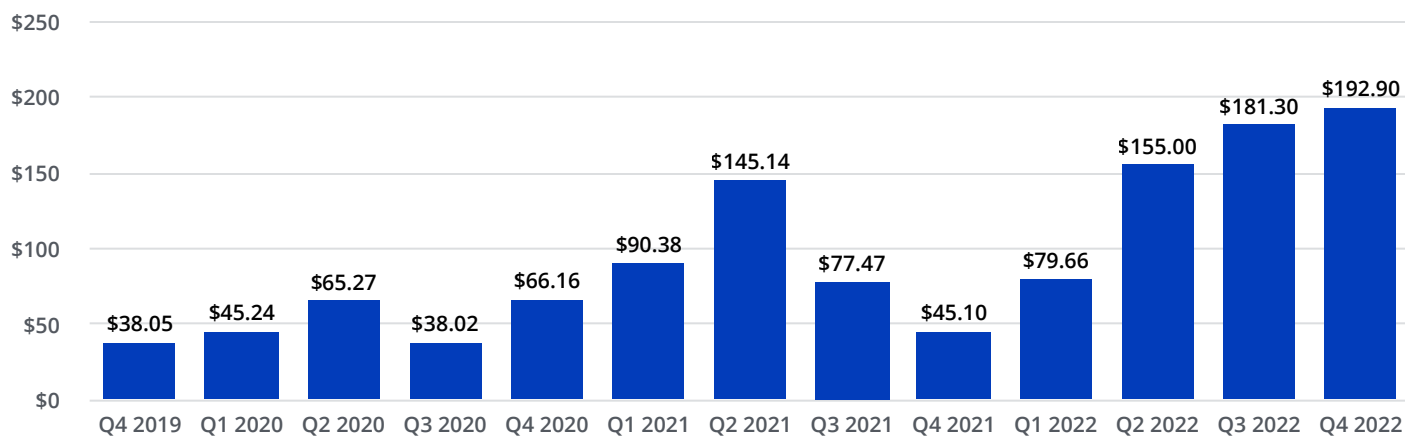
## Number of North American Companies Reporting Negative Currency Impacts



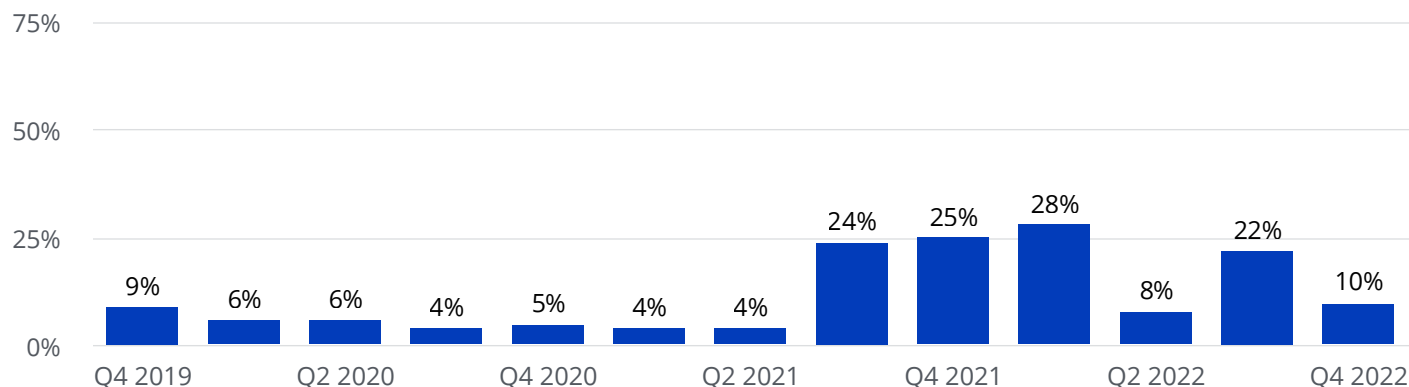
## Percentage of North American Companies Quantifying Impacts



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

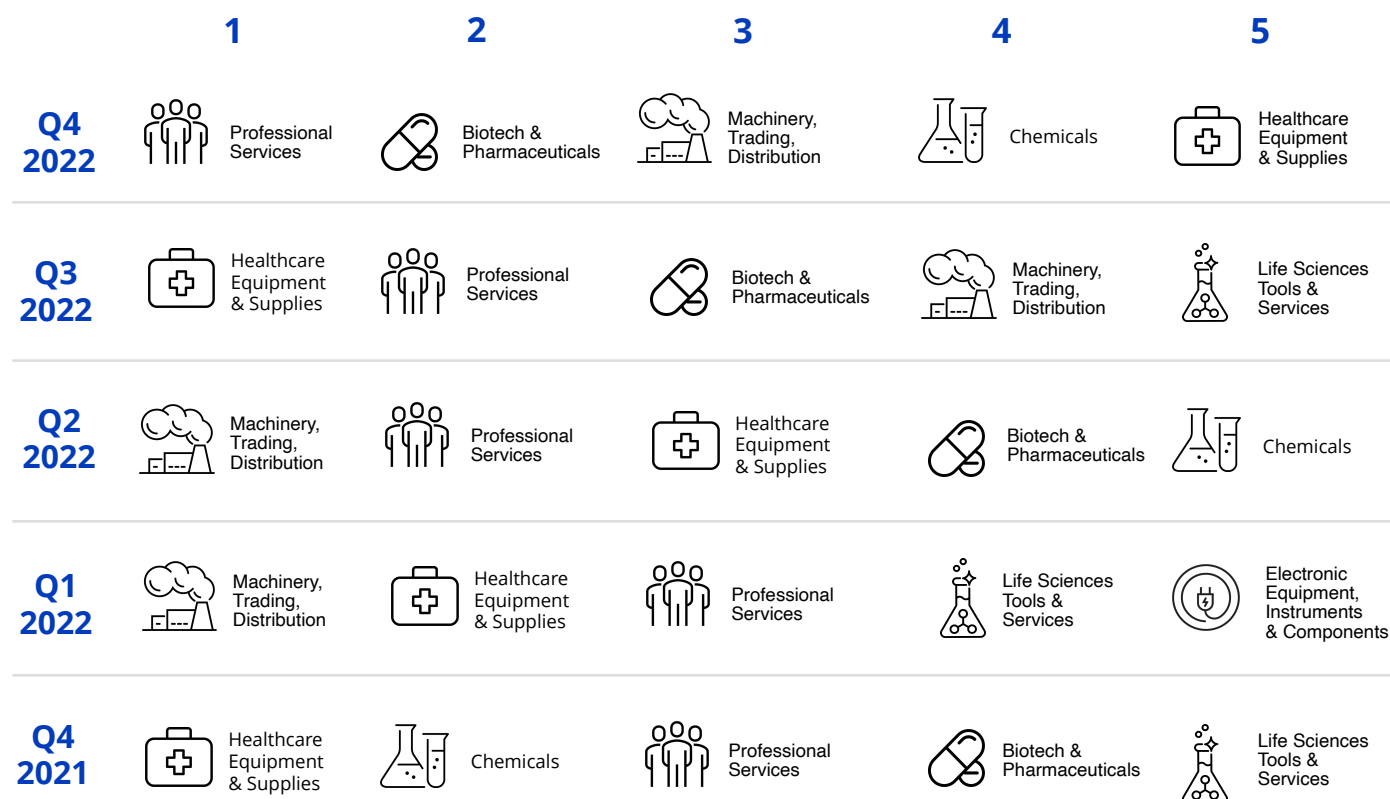


## Percentage of North American Companies That Fielded Analyst Questions



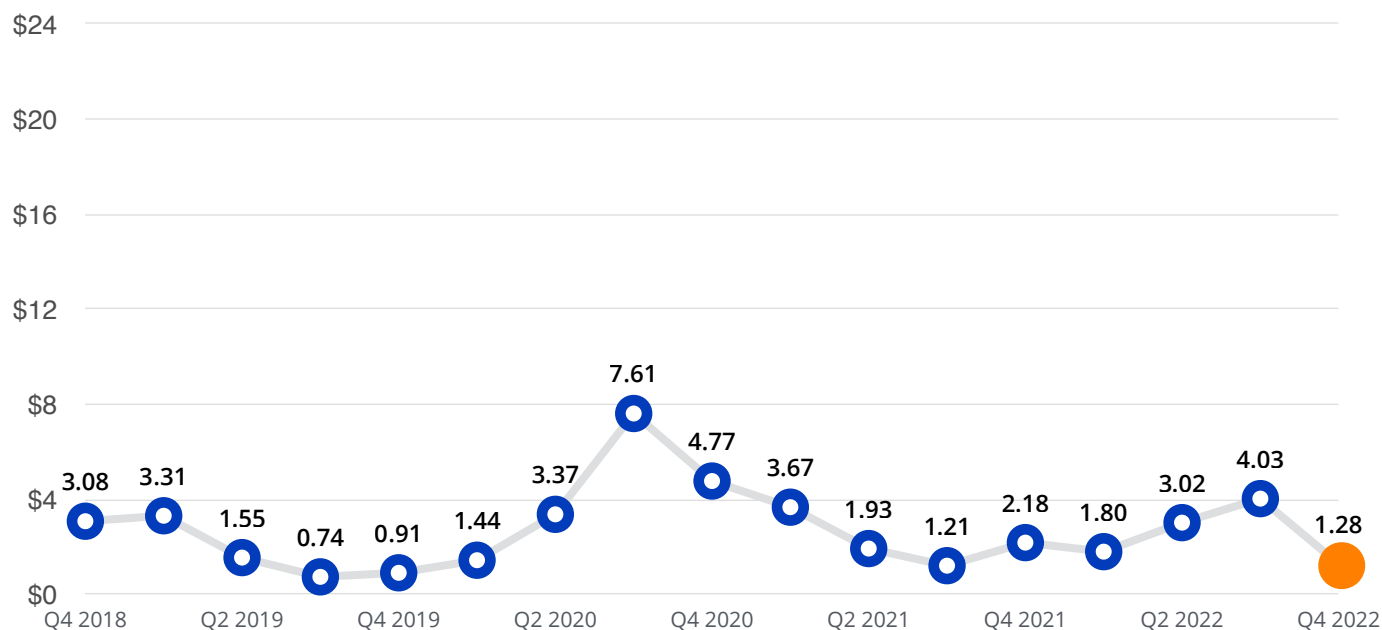
In Q4 2022 earnings calls, 10 percent of North American companies that reported impacts fielded analyst questions.

## Most Impacted North American Industries



# Currency Impact on European Corporate Earnings

## Negative Currency Impact to European Companies (Billions)



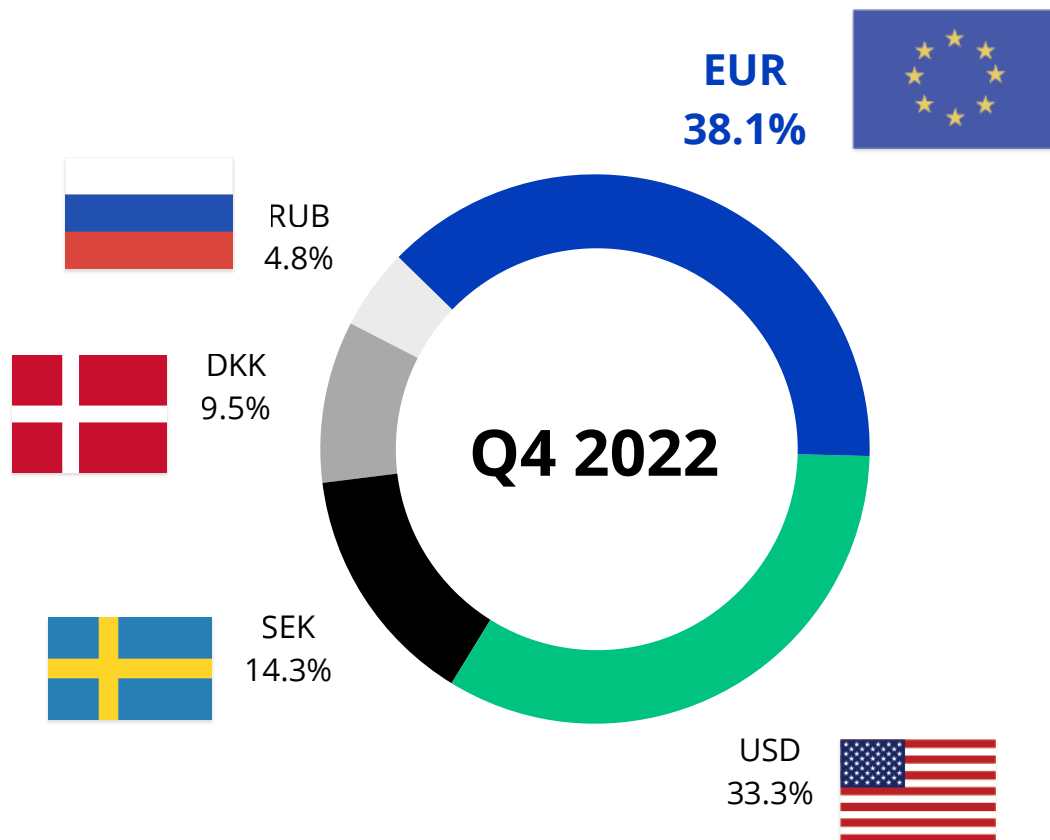
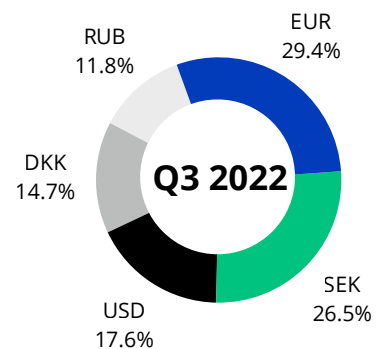
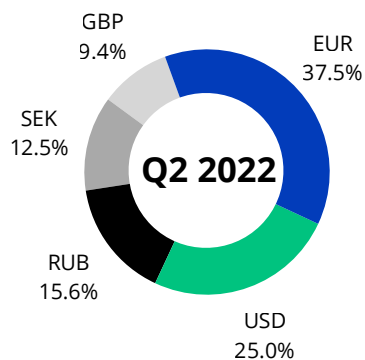
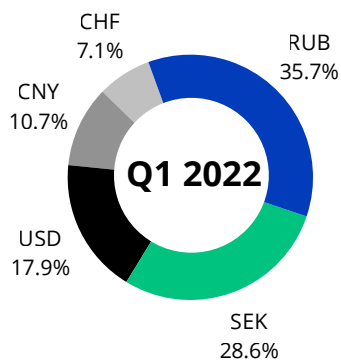
## Currency Impact on European Corporate Earnings

Increasing from last quarter, European companies reported an 68% percent increase in negative currency impacts, with companies reporting \$1.28 billion in FX-related losses.<sup>2</sup>

Of the 350 Europe-based multinationals analyzed, 1.1% reported headwinds in Q4 2022. Of those, 100% quantified their negative impacts (see page 15).

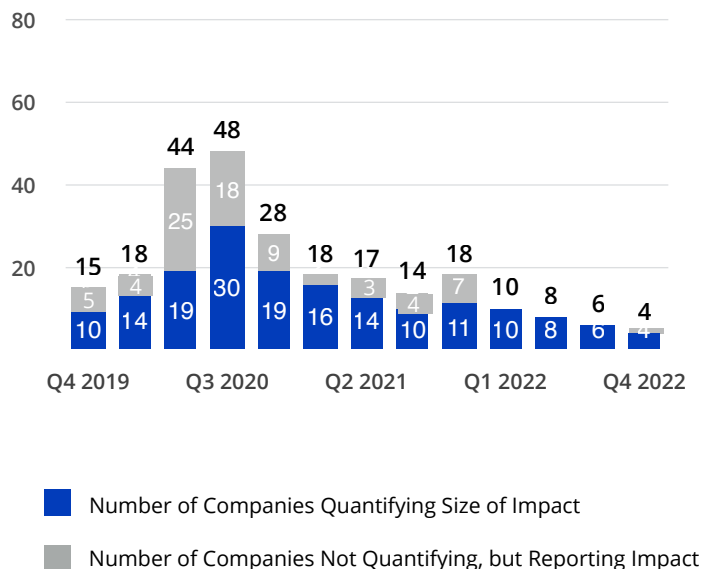
<sup>2</sup> Impacts are likely underestimates as most companies with currency headwinds generally do not report them.

## Top Currencies Referenced by European Companies as Impactful

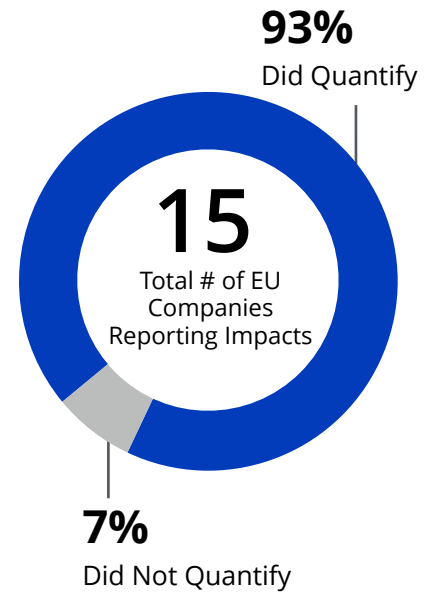


The euro was the most mentioned currency in earnings calls for Europe, followed by the United States dollar and the Swedish krona. The Danish krone was the fourth most mentioned, followed by the Russian ruble. The ruble was the third most volatile currency as well as the fifth most volatile currency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

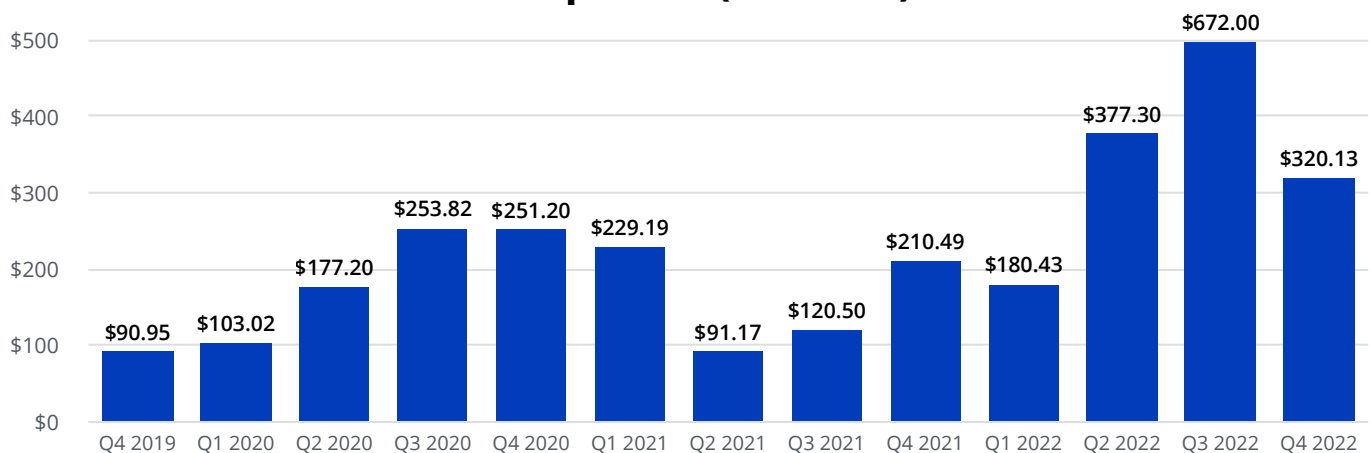
## Number of European Companies Reporting Negative Currency Impact



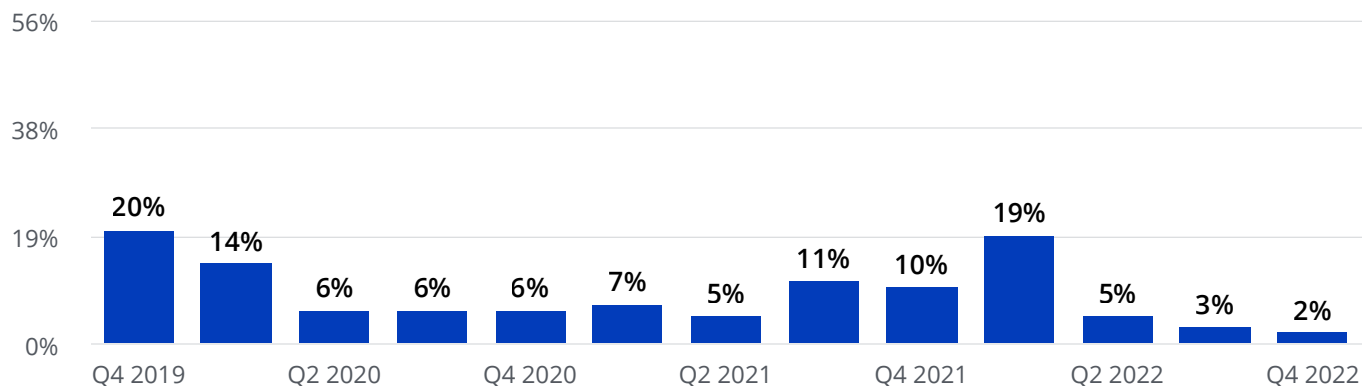
## Percentage of European Companies Quantifying Impacts



## Average Negative Impact to European Companies (Millions)



## Percentage of European Companies That Fielded Analyst Questions



In Q4 2022 earnings calls, 2 percent of European companies that reported impacts fielded analyst questions.

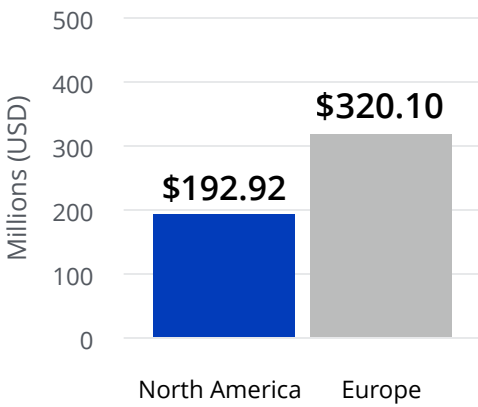
## Most Impacted European Industries



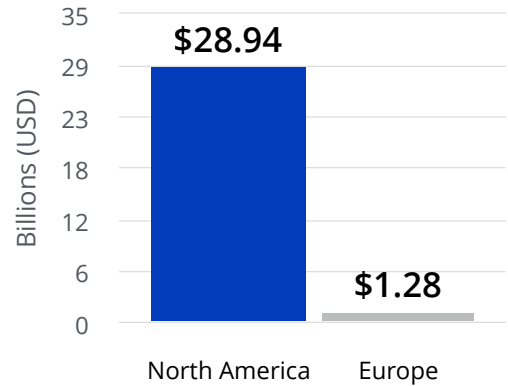


# Comparison of Currency Impact to North American and European Companies

**Average Quantified  
Negative Currency Impact (Millions)**

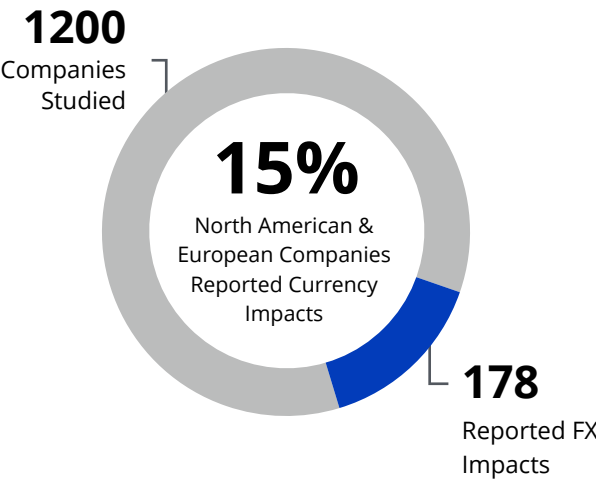


**Size of Quantified  
Negative Currency Impact (Billions)**

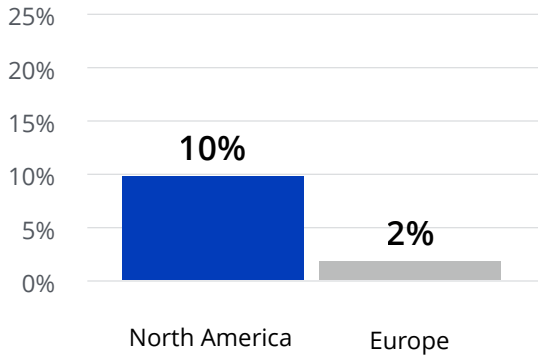


**\$30.22 Billion Total Negative Q4 Impacts**

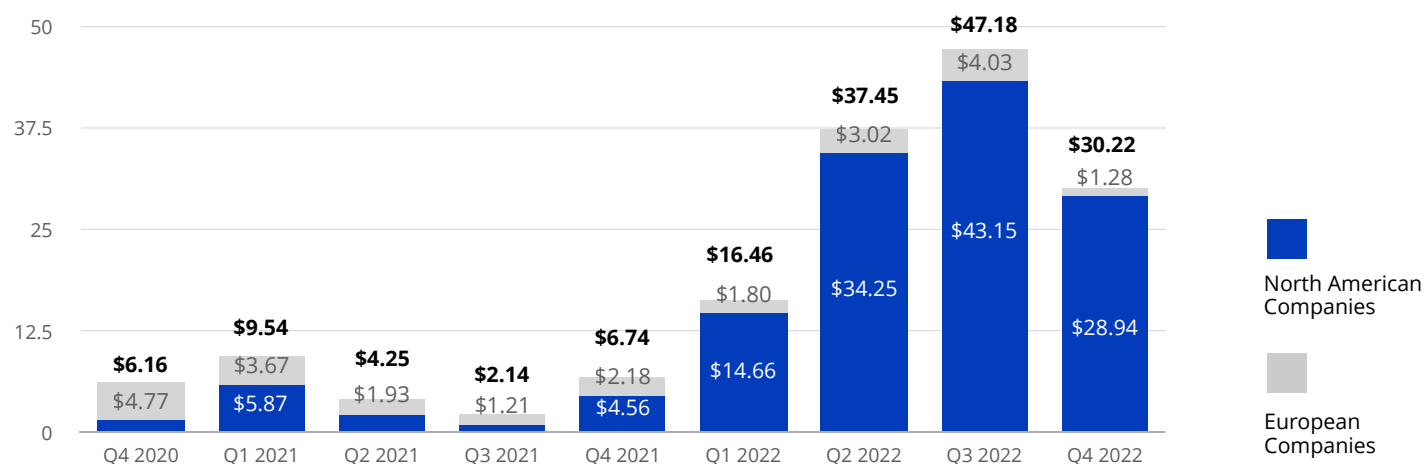
**Number of Companies  
Reporting Currency Impacts**



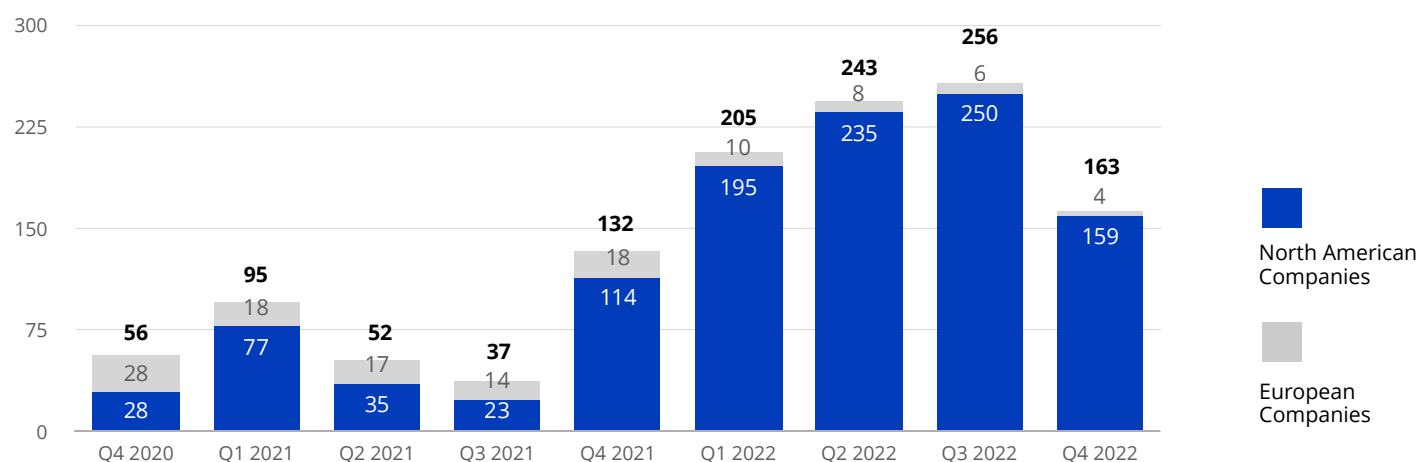
**Percentage of Companies  
Reporting Impacts That Fielded  
Analyst Questions**



## 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).