

Reducing FX Risk by Over 50 Percent in One Year Across 47 Currencies

KYRIBA SUCCESS STORY

Trane Technologies (NYSE:TT) is a global climate innovator. Through their strategic brands Trane® and Thermo King®, and their portfolio of environmentally responsible products and services, they bring efficient and sustainable climate solutions to buildings, homes and transportation.

With its origins dating back to 1871, it generates revenue primarily through the design, sale and service of a diverse portfolio of industrial and commercial products including well-recognized, premium brands such as Trane Technologies®, Trane®, Thermo King® and Club Car®.

In transitioning from legacy and largely manual processes for hedging foreign exchange (FX) risk management, the treasury department of Trane Technologies sought greater visibility and quantification of its exposures. This involved partnering with a dedicated technology provider and adoption of a centrally-led FX management strategy.

Having previously suffered an inability to determine key factors impacting FX exposure in real-time, analysis was reactive rather than proactive; numerous ERP systems with varying capabilities made analysis complicated, cumbersome and directional in nature, so hedging was limited only to known exposures such as intercompany loans; and consolidation tools provided functional currency or USD transparency, without transactional currency details.

To address these gaps and translate exposure management into meaningful analysis that adds value to the business, Trane Technologies turned to FiREapps, now a Kyriba company.

TRANE
TECHNOLOGIES™

Founded: 1871
Headquarters: Swords, Ireland
Industry: industrial manufacturing
Revenue: \$14B
Employees: 30,000+

“
Kyriba resolves our immediate FX risk management limitations and allows us to develop best in class solutions.”

— Chris Donohoe
Assistant Group Treasurer, Trane Technologies

“ We now have the ability to work with our entities on specific projects and to implement business solutions rather than simply providing high-level FX hedging.”

— Chris Donohoe, Assistant Group Treasurer, Trane Technologies

RESULTS

Reduced VaR by Over 50 Percent in One Year Despite Significant Market Volatility
97 Percent Real-time Visibility of Group Exposures



Trade Wars



US/China Economies



Brexit



Oil/Energy



Political Unrest



Regulatory Changes

- **Net Asset Position by Currency** — to map and detail net asset exposure by asset category, legal entity, SBU, region and enterprise
- **Map FX Accounting** — to cross check for FX bookings in relation to P&L, CTA and cash flow reporting
- **Hedge Determination** — to determine Value at Risk (VaR) analysis for all hedging programs and portfolio risk optimisation to determine most efficient strategies
- **Advanced Reporting** — to explain sources of noise in the FX results and provide dashboard reporting on balance sheet hedging effectiveness

Thanks to working with Kyriba for the past two years, Chris and his team are now able to cite quantitative and qualitative benefits beyond expectation, the most impressive of which is achieving 97 percent realtime visibility of group FX exposure. Most note-worthy is the global reduction of risk by an excess of 50 percent over 12 months based on the VaR quantification, which is immense for a company of this size and stature.

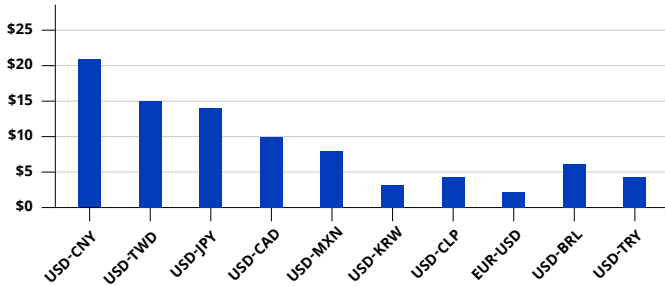
“We in treasury have evolved into a true strategic partner to the business rather than just a corporate function,” explains Chris. “We now have the ability to work with our entities on specific projects and to implement business solutions rather than simply providing high-level FX hedging.” Chris also notes an increased engagement from the business, resulting from awareness training and a more detailed outline of exposures. Global group risk quantification and trend analysis by business unit and by currency and dashboard presentations for business and board perspectives are also clear strategic benefits.

Some Examples of the New Global Net Asset Exposure Quantification Process

NB: figures and currency pairs not actual - for example purposes only

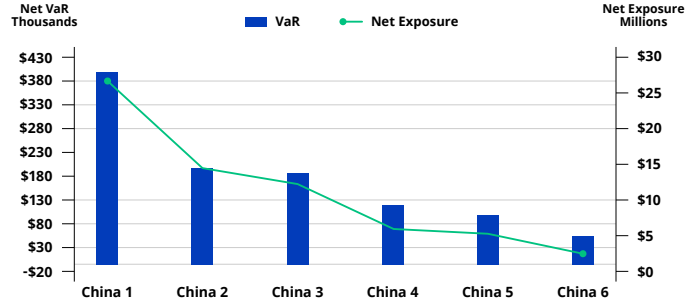
1. REAL-TIME GLOBAL ANALYSIS BY CURRENCY PAIR

Global Net Exposure (Absolute)
(In Millions)



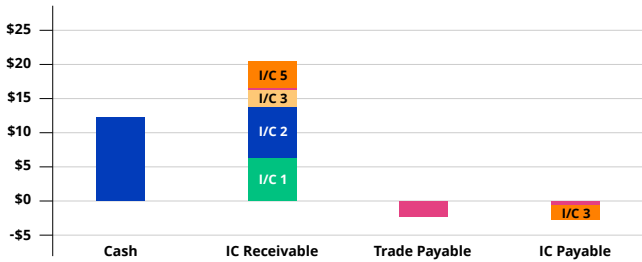
2. REAL-TIME COUNTRY ANALYSIS BY NET EXPOSURE AND VaR

USD CNY Net Exposure and VaR by Entity Entities in China



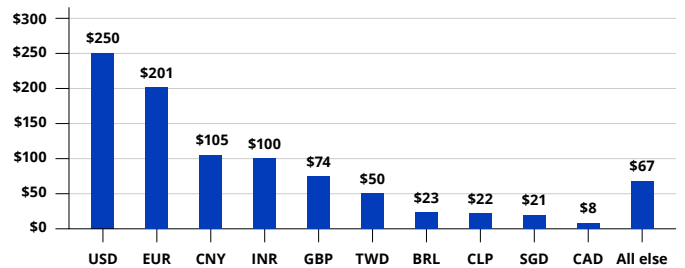
3. INDIVIDUAL ENTITY DETAILED ANALYSIS AT SUB LEDGER LEVEL

Real-time Detailed Analysis for Key Drivers Identification and Trend Analysis for China 1 Net Assets (in Millions)



4. OVERVIEW OF NATURAL HEDGE VS. FINANCIAL HEDGE

Global Net Assets by Currency Top 10 (In Millions)



See FiREapps-Kyriba Video:

[The Industry's Most Advanced Solution for Managing FX Risk](#)