

November 2023

Currency Impact Report

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

About the Report

The November 2023 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.

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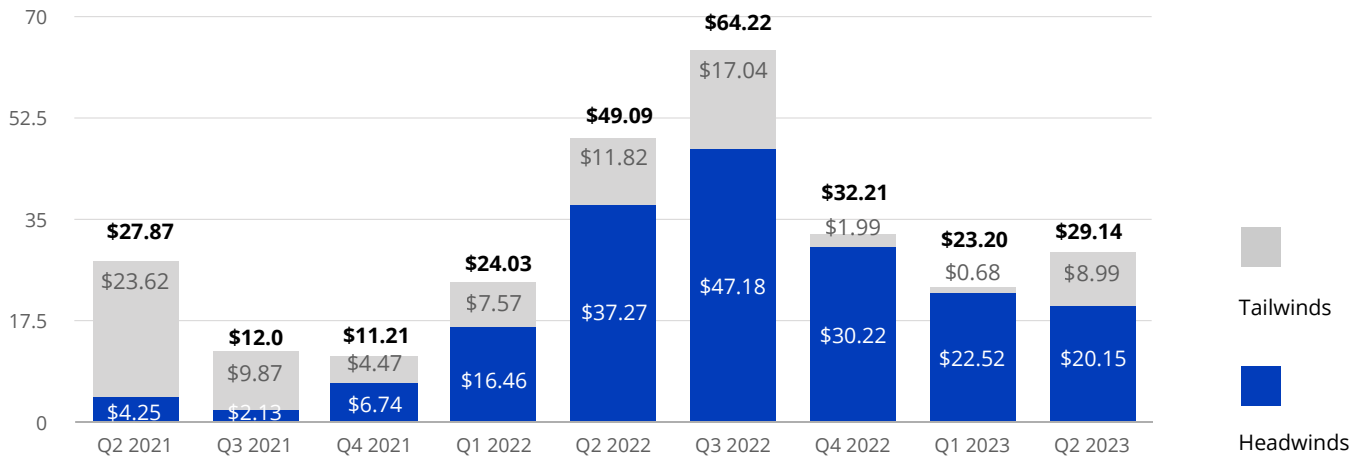
Currency Impact Report Overview

Kyriba Currency Impact Report

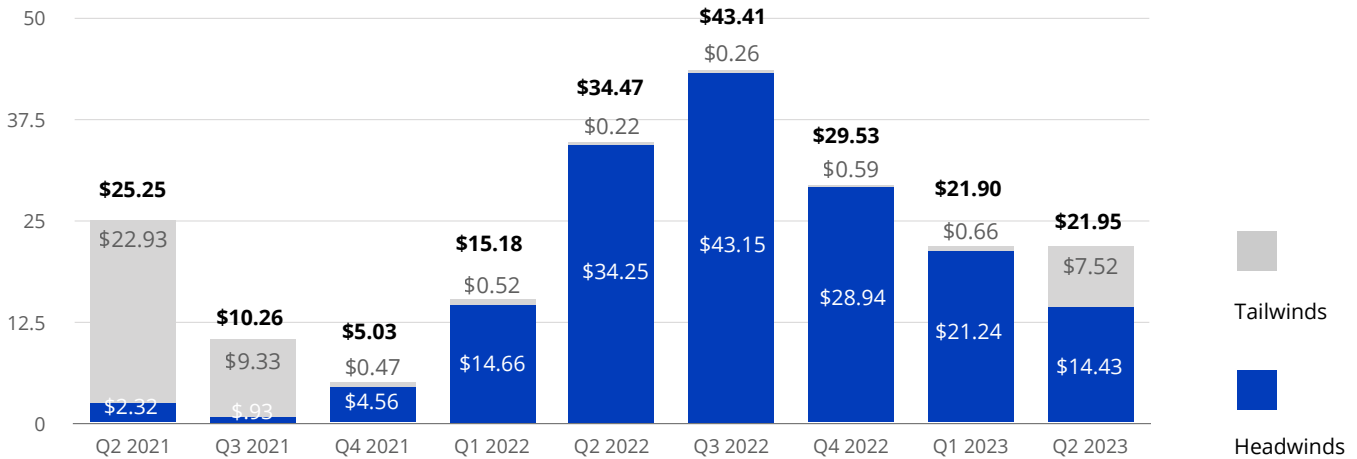
Key Findings

- The collective quantified negative impact reported by both North American and European companies totaled \$20.15 billion in Q2 2023, a 10.5% decrease from Q1 2023.
- 12% of corporates studied (207/1700) quantified +/- impacts totaling \$29.14 billion (\$20.15 billion headwinds), (\$8.99 billion tailwinds).
- The Canadian dollar and euro were the currencies most mentioned as impactful by North American and European companies, respectively, while the Turkish lira was the most volatile currency.
- 297 North American and European companies reported currency headwinds in Q2 2023. Of those companies, 207 (69.7%) companies quantified their FX impacts.

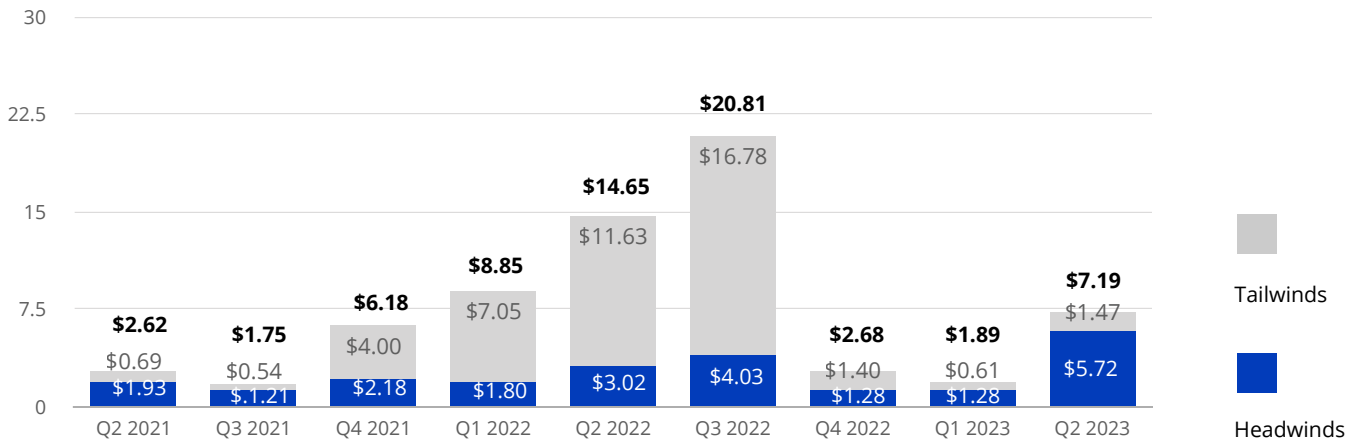
Total Quantified Currency Impacts by North American and European Companies (Billions)



North American Companies' Quantified Currency Impact (Billions)



European Companies' Quantified Currency Impact (Billions)



Top 5 Volatile G20 Currencies

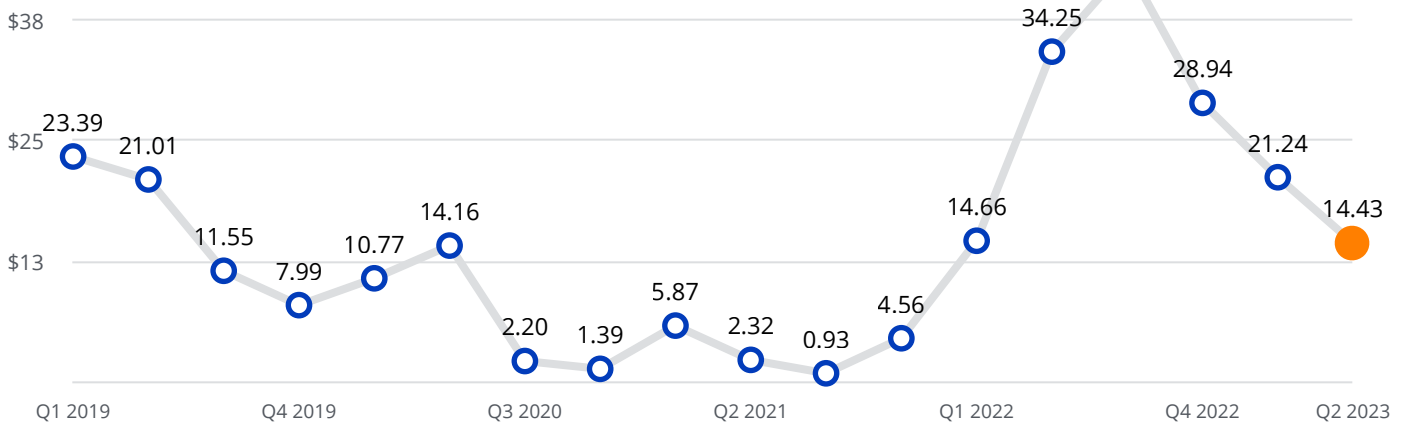


Top 5 Volatile Currencies as Weighted by GDP Percentage

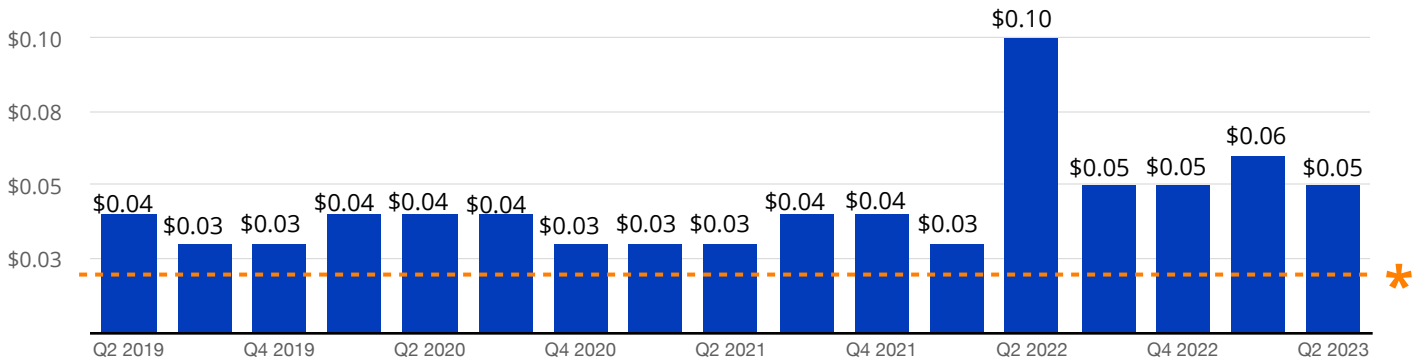


Currency Impact on North American Corporate Earnings

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

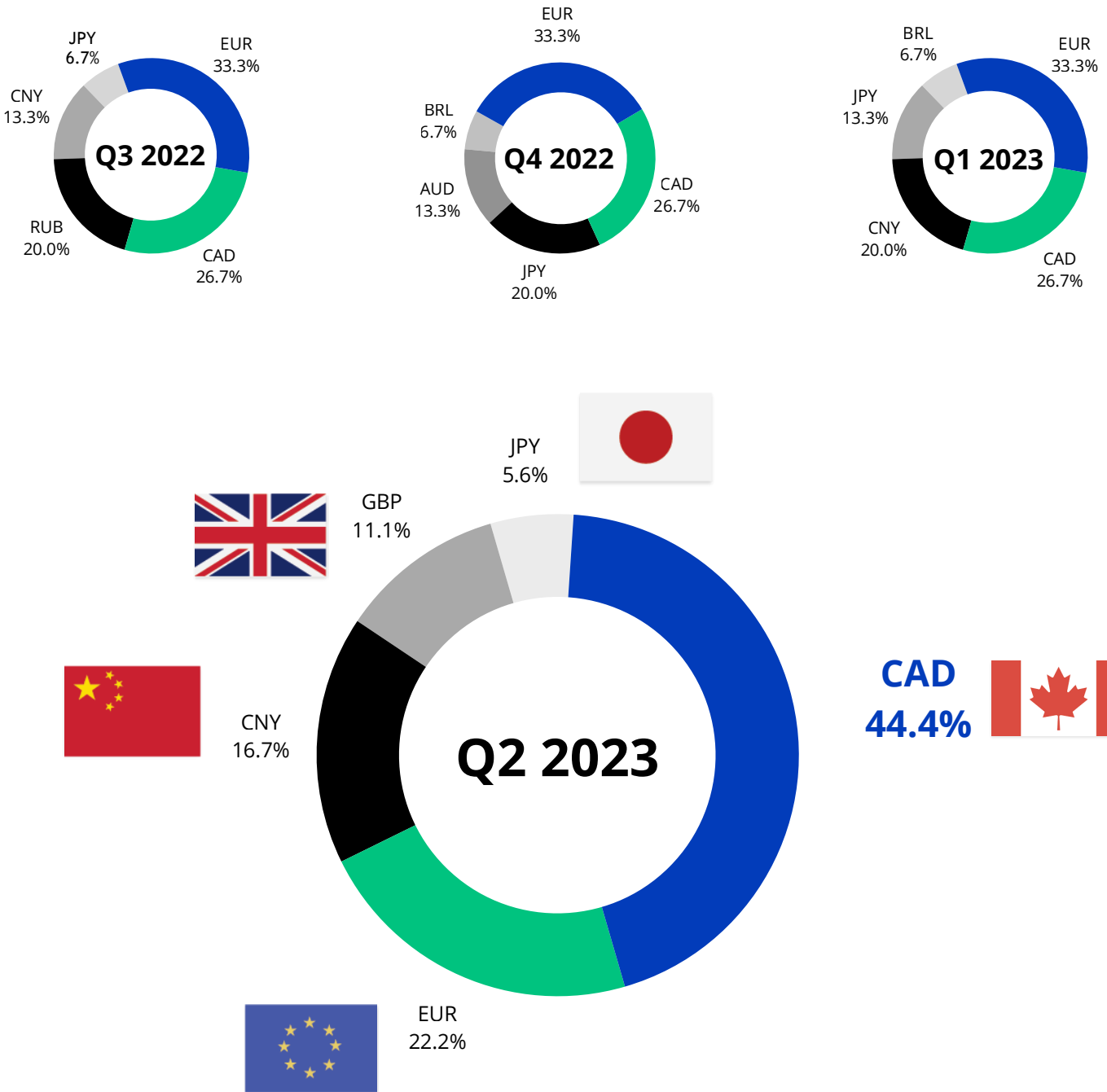
Currency Impact on North American Corporate Earnings

North American companies reported a \$14.43 billion impact in Q2 2023, 32% smaller than the impact in Q1 2023.¹

The average earnings per share (EPS) impact reported by North American companies in Q2 2023 was \$0.05, five times greater than the industry standard MBO of less than \$0.01 EPS impact.

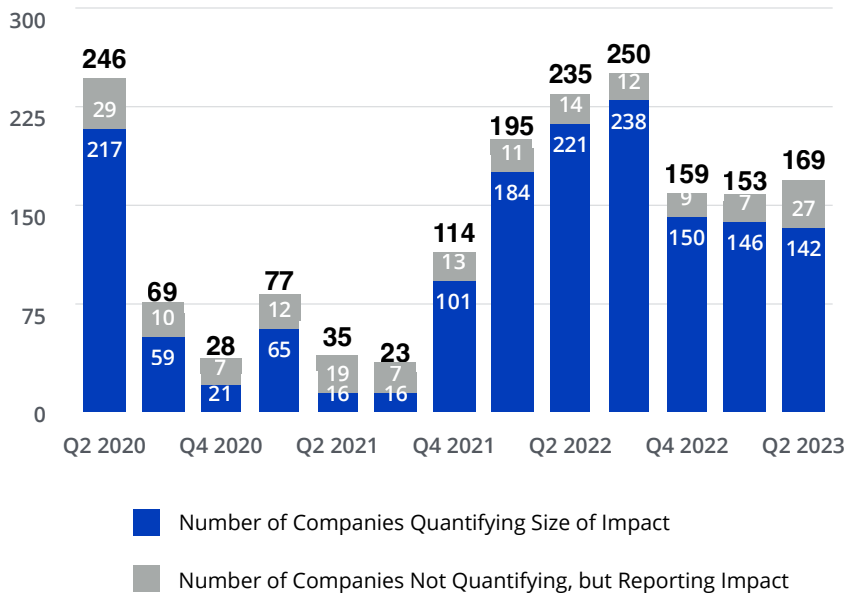
¹Impacts are likely underestimates as most companies with currency headwinds generally do not report them.

Top Currencies Referenced by North American Companies as Impactful

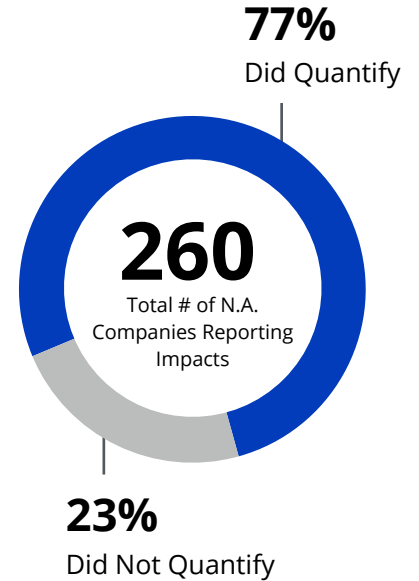


The Canadian dollar was the most mentioned currency, a break in the trend in recent quarters. The euro was the second most-mentioned, followed by the Chinese renminbi, the British pound, and the Japanese yen. The Chinese renminbi was the most volatile currency weighted by GDP (page 6).

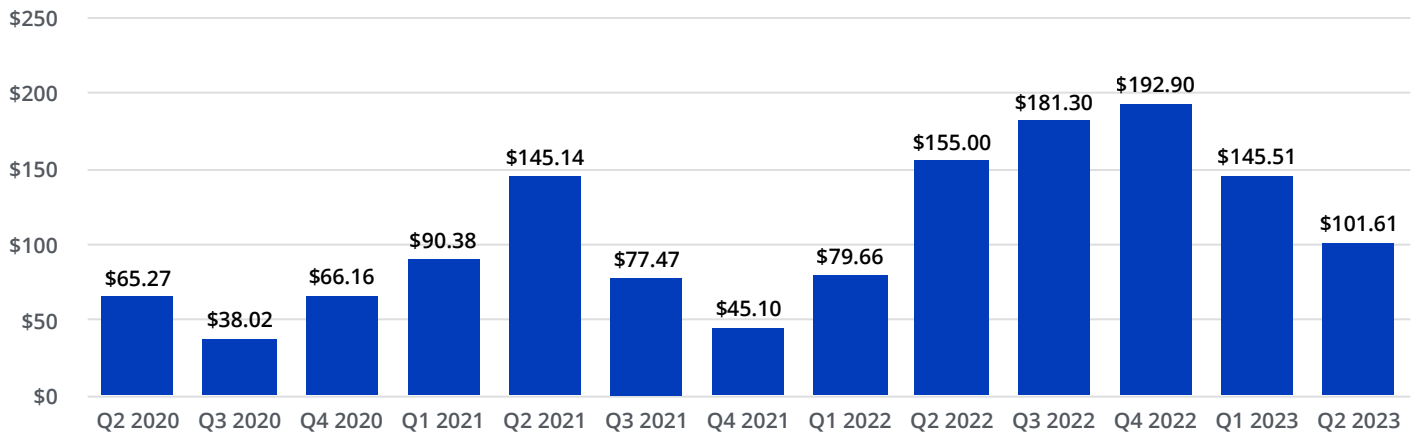
Number of North American Companies Reporting Negative Currency Impacts



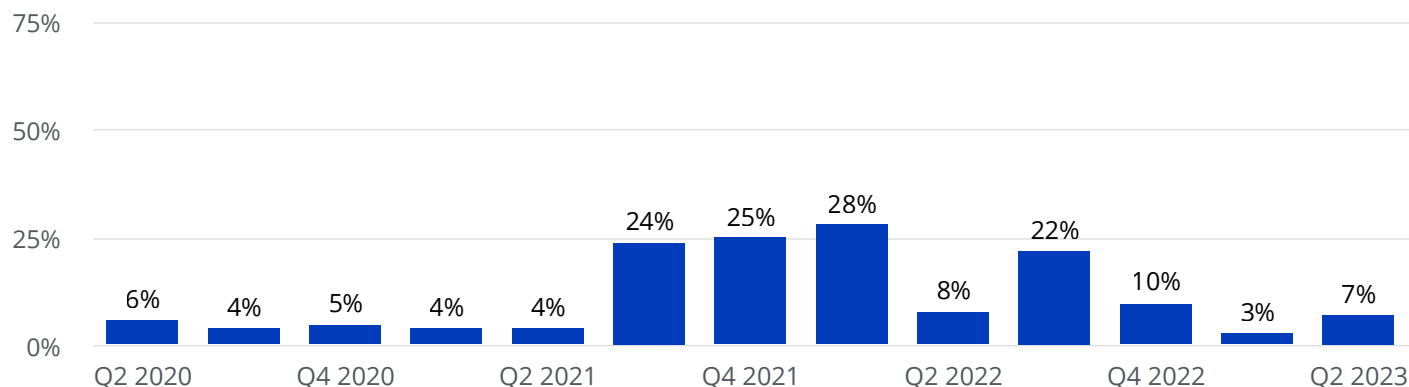
Percentage of North American Companies Quantifying Impacts



Average Negative Impact to North American Companies (Millions)



Percentage of North American Companies That Fielded Analyst Questions



In Q2 2023 earnings calls, 7 percent of North American companies that reported impacts fielded analyst questions.

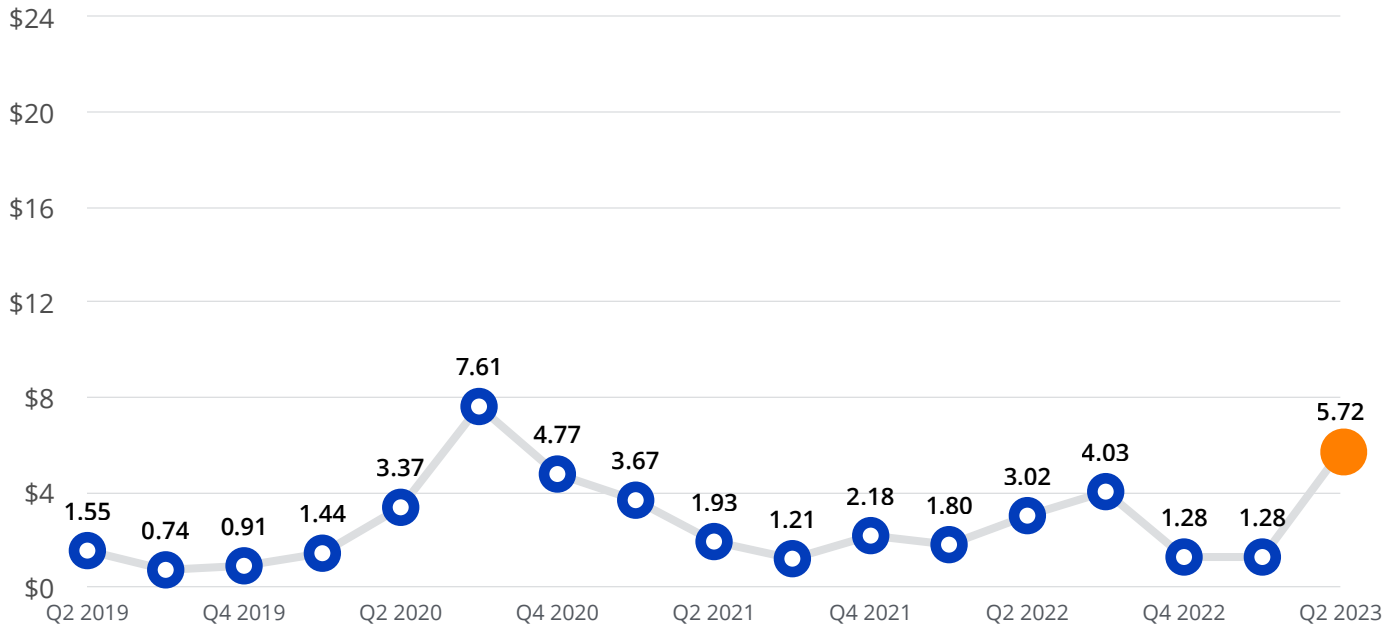
Most Impacted North American Industries



Currency Impact on European Corporate Earnings



Negative Currency Impact to European Companies (Billions)



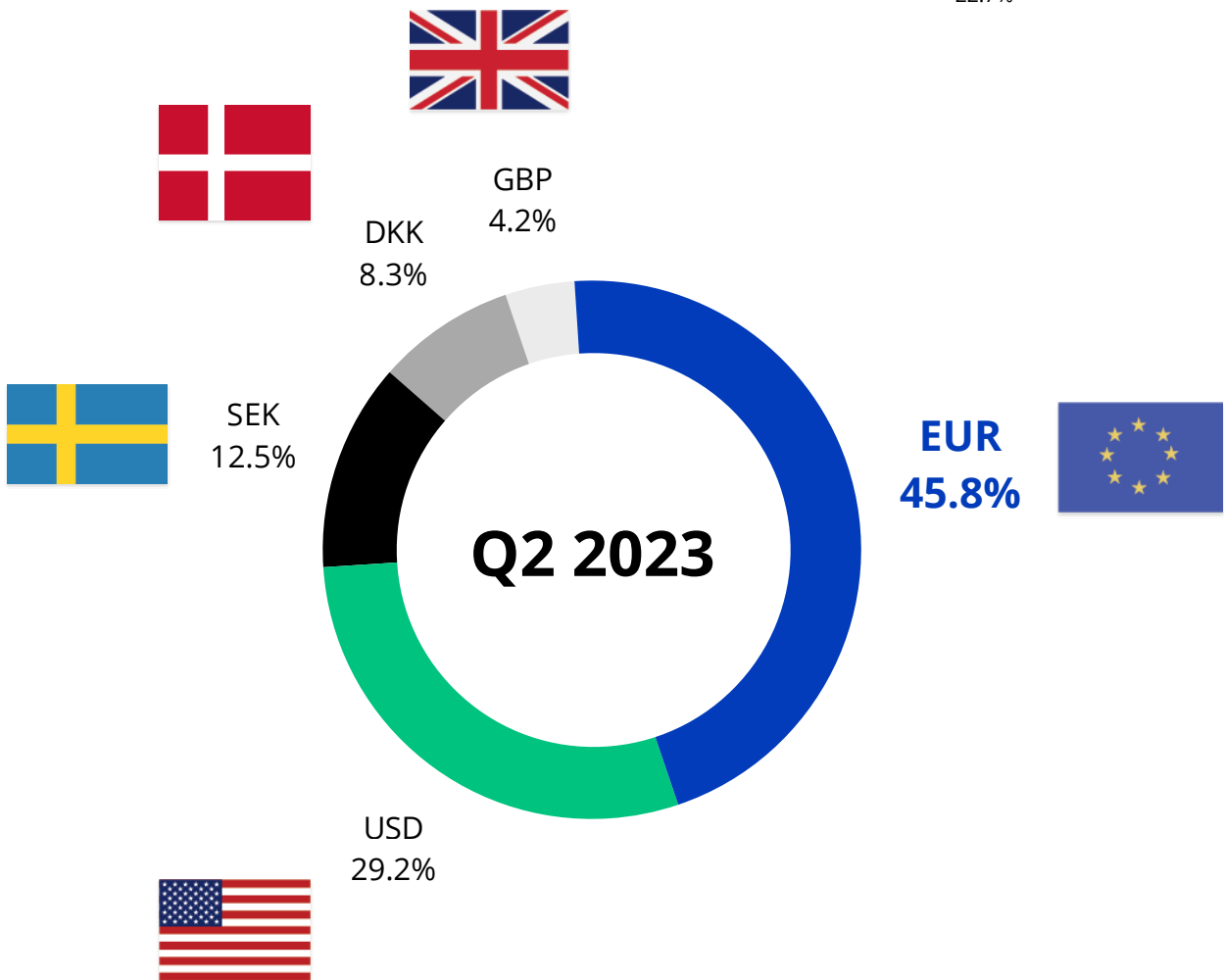
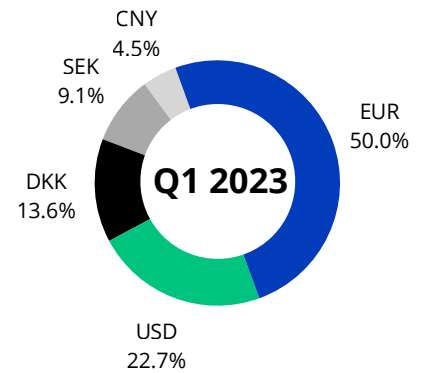
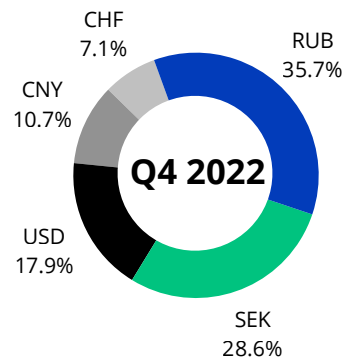
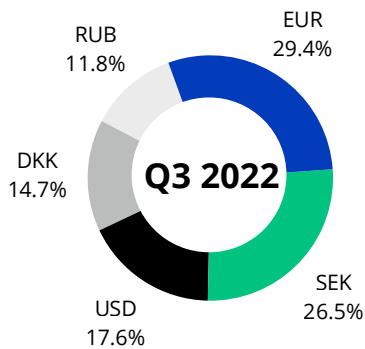
Currency Impact on European Corporate Earnings

European companies reported \$5.72 billion in FX-related losses, about 4.5 times greater than the previous quarter.²

Of the 850 Europe-based multinationals analyzed, 15.1% reported headwinds in Q2 2023. Of those, 51% quantified their negative impacts (see page 15).

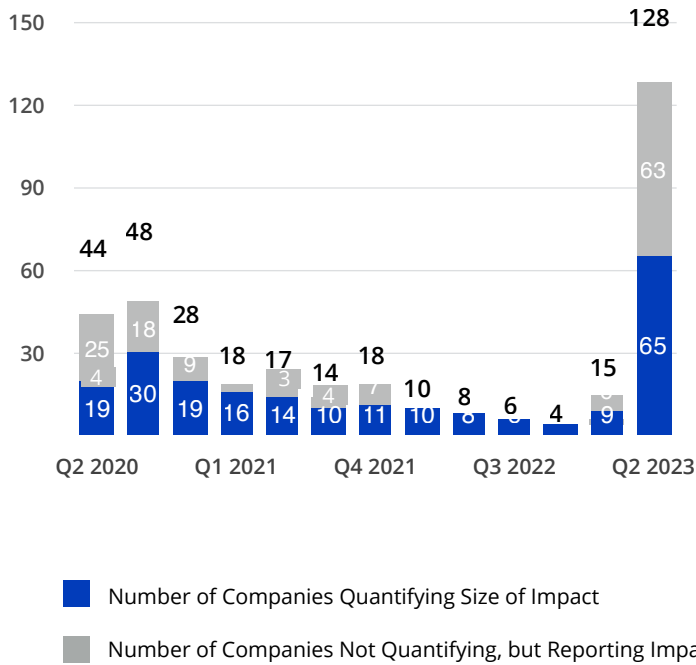
² Impacts are likely underestimates as most companies with currency headwinds generally do not report them.

Top Currencies Referenced by European Companies as Impactful

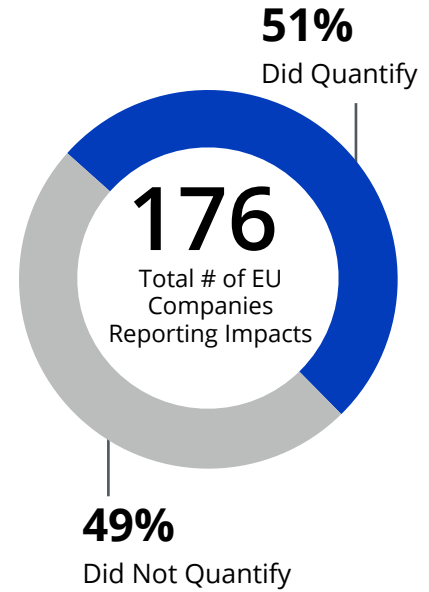


The euro was the most mentioned currency in earnings calls for Europe, followed by the United States dollar and the Swedish krona. The Danish krone was the fourth most mentioned, followed by the British pound. The euro was the second most volatile currency weighted by GDP, respectively (page 6).

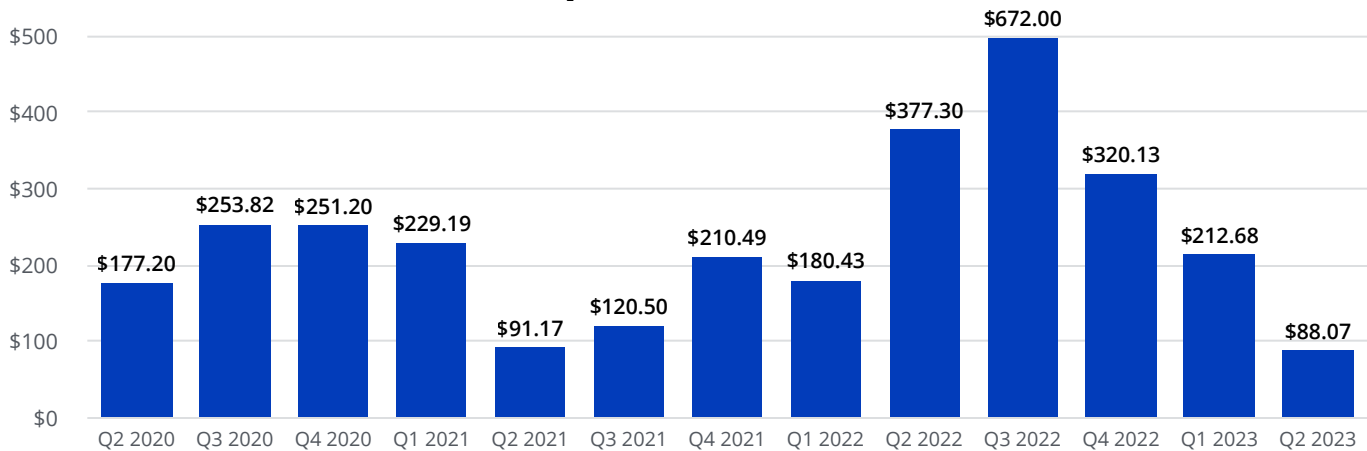
Number of European Companies Reporting Negative Currency Impact



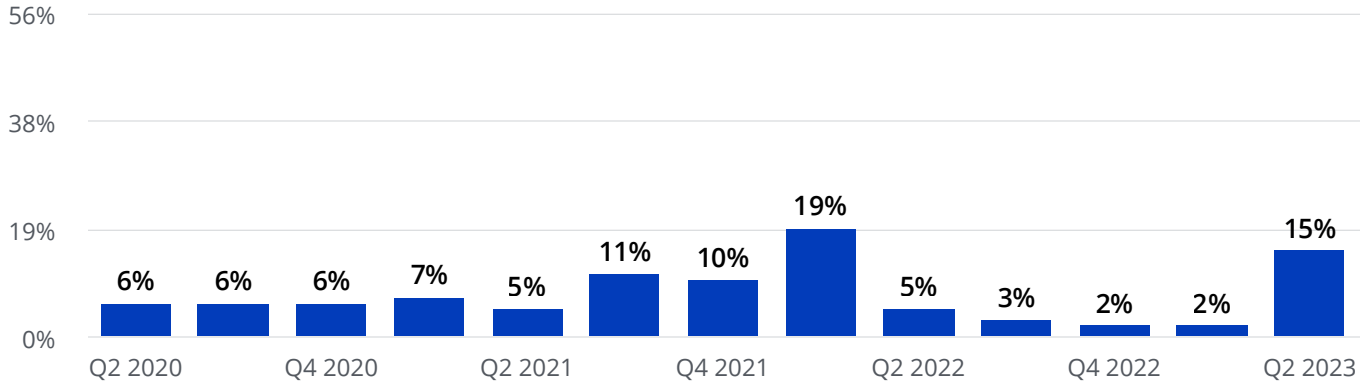
Percentage of European Companies Quantifying Impacts



Average Negative Impact to European Companies (Millions)

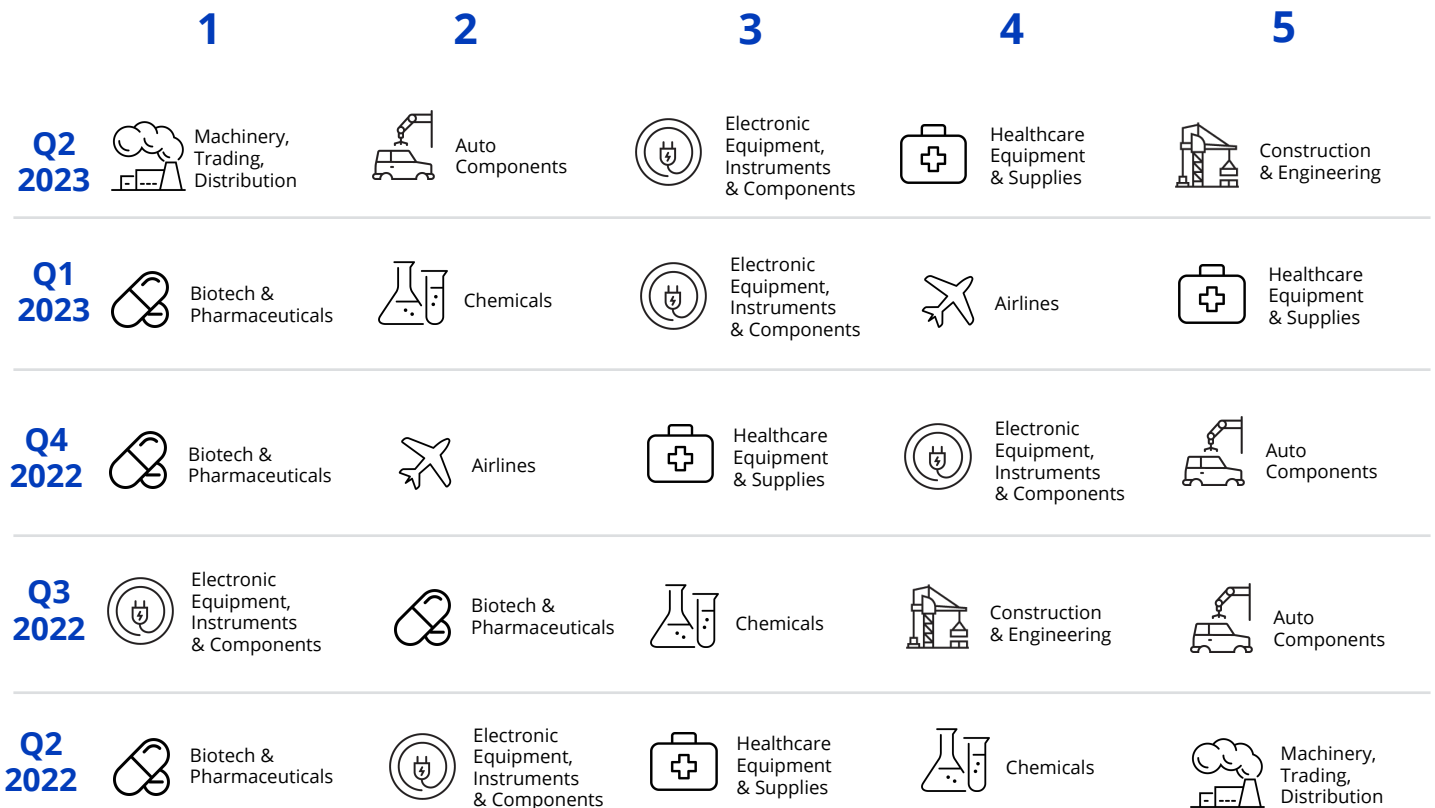


Percentage of European Companies That Fielded Analyst Questions



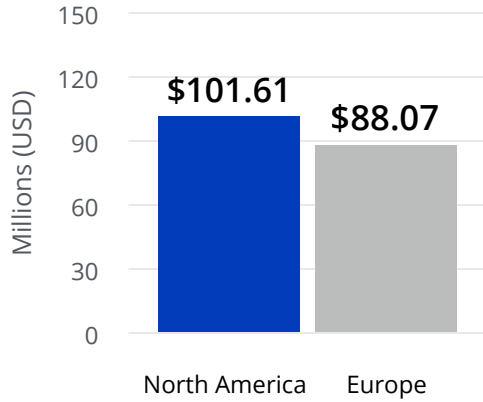
In Q2 2023 earnings calls, 15 percent of European companies that reported impacts fielded analyst questions.

Most Impacted European Industries

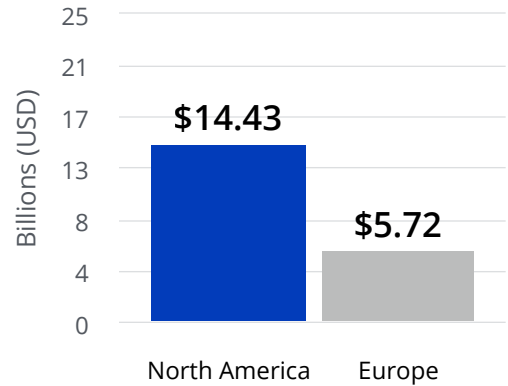


Comparison of Currency Impact to North American and European Companies

Average Quantified Negative Currency Impact (Millions)

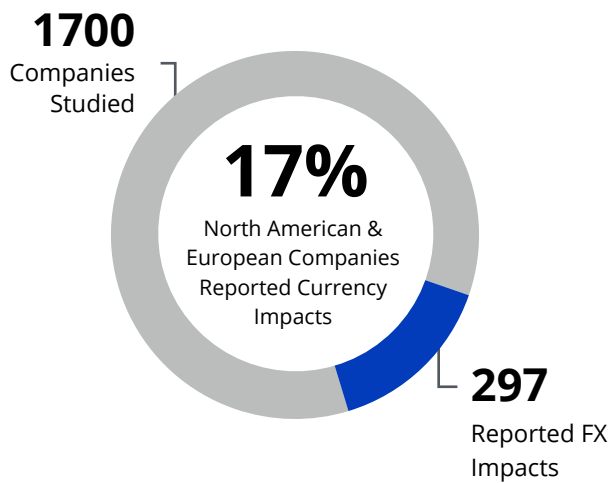


Size of Quantified Negative Currency Impact (Billions)

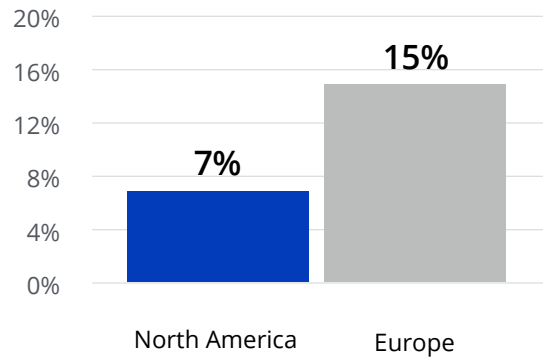


\$20.15 Billion Total Negative Q1 Impacts

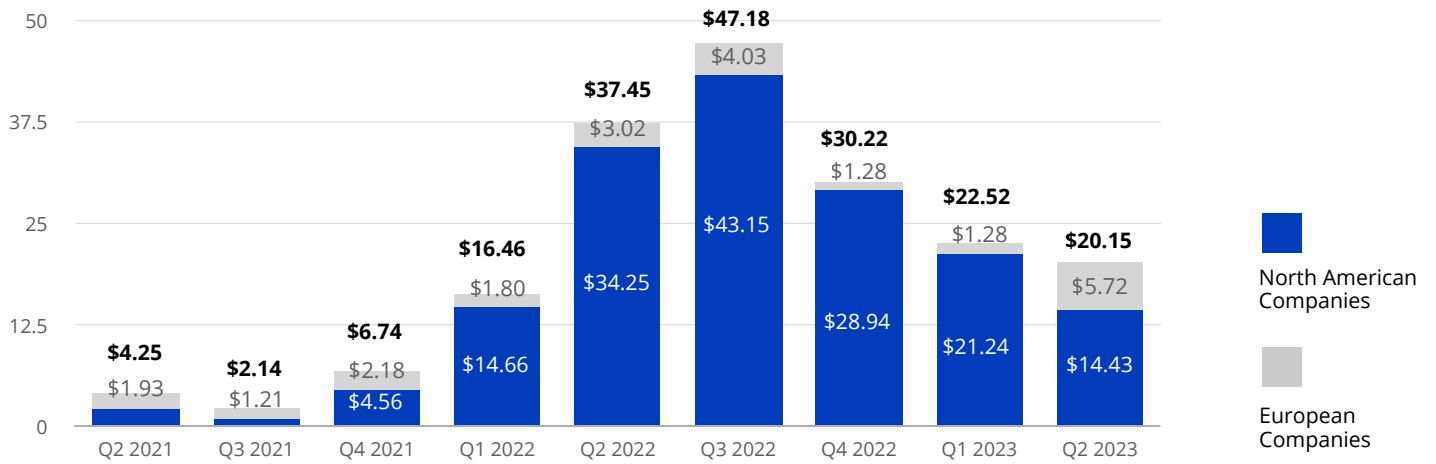
Number of Companies Reporting Currency Impacts



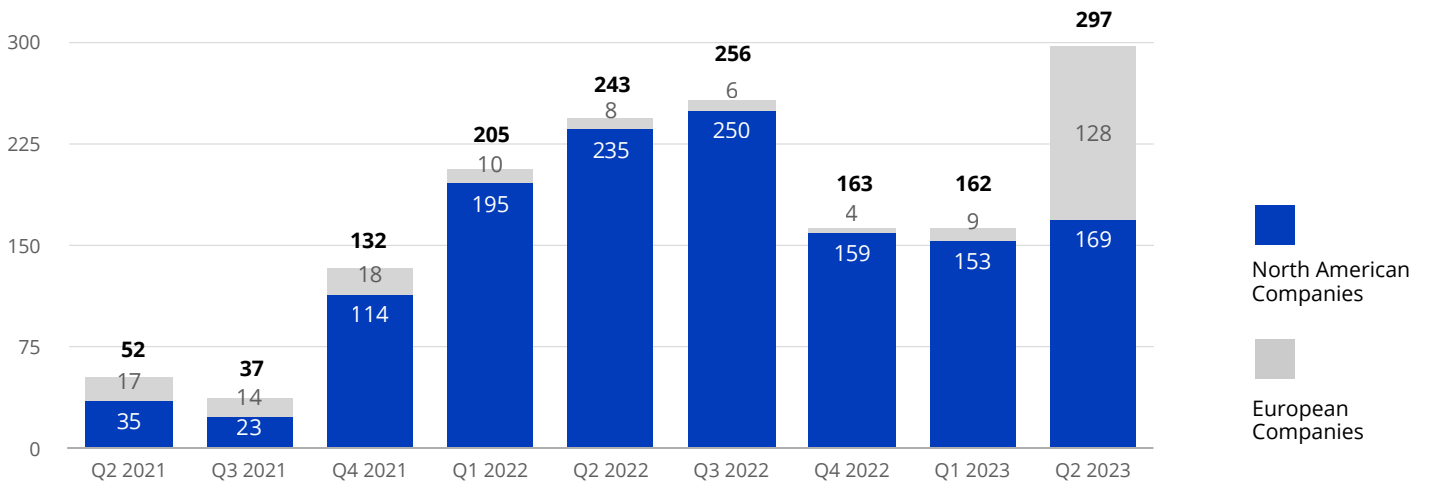
Percentage of Companies Reporting Impacts That Fielded Analyst Questions



Quantified Negative Currency Impact (Billions)



Number of Companies Reporting Negative Currency Impact



About Kyriba Corp.

Kyriba 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.