

Avoiding FX Gains and Losses while protecting margins with Currency Management Automation

The company is a **leading distributor of aroma chemicals and essential oils** for the fragrance and flavours industries worldwide. It purchases the majority of its raw materials—which are priced in USD in highly volatile, commodity-like markets—in Southeast Asia. Products are distributed globally, with a strong presence in Europe, the Middle East, and South America and subsidiaries in Brazil, China, Mexico, Singapore, and the United States.

The company had massive volumes of FX transactions and multi-currency exposure

CHALLENGES

Before using Kantox solutions, the company was exposed to EUR-USD movements on their imports because of a 60-day time gap between purchase and settlement dates. Their manually-executed hedging was inefficient and time-consuming.

On the sales side, although its exposure to currency risk was much smaller, the company faced a long time gap between the moment invoices were issued and transactions were settled.

THE SOLUTION:

The company implemented the Kantox Dynamic Hedging® and Dynamic Pricing solutions to boost process efficiency in three main aspects:

Keeping FX risk under control: the Kantox Dynamic Hedging® tool provides the company with complete visibility over the firm's accumulated exposure and allows it to execute hedges automatically in order to guarantee profit margins.

Minimisation of FX gains and losses: by automating its foreign currency management, the company is now able to fully protect its exposure and avoid any unwelcome surprises.

Thanks to Kantox's automated solutions that protect the company from FX risk, the company can now make purchase decisions in the most convenient currency, sell in the currency of its customers and minimise the impact of exchange rate volatility on its financial statements while also adding the positive forward points to its margins.

4 weeks ✓

Implementation
time

€9.5M ✓

Total Monthly
Trading Volume

+€300K ✓

Annual ROI
of the Project

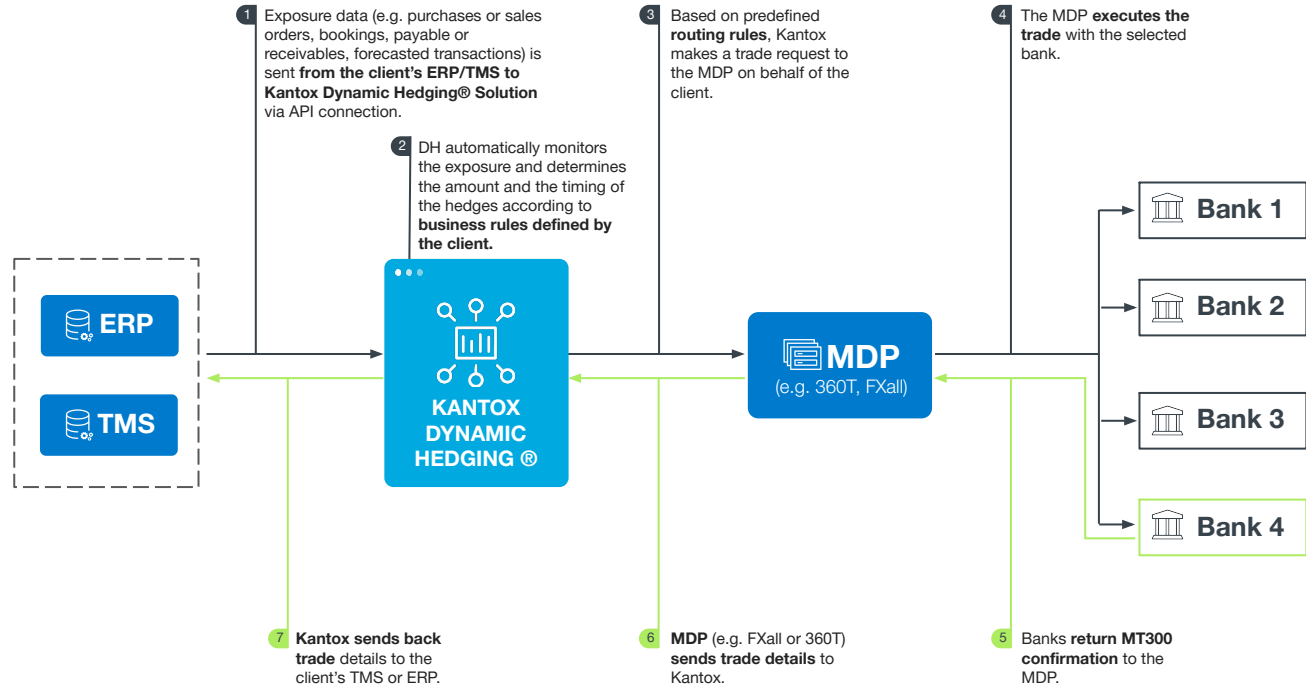
"It is crucial for the corporate treasury to further automate processes in order to enhance internal controls, mitigate risks, fight against the growing risk of fraud and simplify processes."

François Masquelier
Honorary Chairman of EACT
(European Association of Corporate Treasurers)

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Kantox solutions for a leading distributor of aroma chemicals and essential oils





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Kantox is a **leader in Currency Management Automation software** that enables businesses to automate their end-to-end corporate FX workflow, reduce currency risk and leverage foreign currencies to increase competitiveness.

With offices in **London and Barcelona**, we have grown into an international team of **over 200 professionals from across 48 nationalities**.

OUR AWARD WINNING SOFTWARE



Best Risk
Management Solution



Best Risk
Management Solution



Best Risk
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Interested in learning more?

Book a session with one of our Currency Management Specialists, and discover how Currency Management Automation can help your business

[Request a demo](#)

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