

# How this construction business achieved competitive rates with risk management solutions

“Ebury’s currency services have refreshed our approach to international payments. We’re now able to access comprehensive risk management tools and save money in the process.”

The business is a construction contractor to the UK’s largest utilities providers



## BUSINESS CHALLENGES

The business imports construction equipment from a global network of suppliers and therefore currency risk is a major concern.

Previously, the business worked with a foreign exchange broker, placing market orders and executing spot transactions. However, despite initially offering good rates, their broker’s pricing became less competitive over time.

In reaction, the business moved to a leading web-based trading platform that offers tight, consistent exchange rates. While they’d achieved a suitable price, the business quickly realised they also needed in-depth market insight to support their transaction decisions.

The business was looking for a proactive service and long-term relationship with a counterparty that understood their transaction and rate requirements.

## EBURY SOLUTIONS

The business now uses Ebury’s market analysis and Bloomberg forecasting to form an effective strategy for their currency exchange and payments. We were able to offer a dedicated finance specialist and consistently competitive rates.

To cover their currency exposure, the business chose forward contracts that set their exchange rate for 3 years. Alongside the forward contracts, we were able to offer large 0% deposit lines, allowing the business to optimise their working capital.

To achieve the best rate to establish their forward contracts, we targeted attainable levels with market orders.

As the business deals with numerous currency pairs, we also incorporated a large net position to limit the chance of margin calls.

The business has since been acquired by a global market leader, giving them the funds to purchase seven European companies. Along with their group treasury system, the business wishes Ebury to structure hedging strategies for all the companies now under their ownership.

The business has saved a large seven figure sum and this figure is set to rise further now that the same service can be offered across the business group.