

Customer Spotlight

# Mining Products





## CASE STUDY

### Company Overview

Mining Products imports and manufactures mining products for a range of Australian clients. Working across coal and metallic mining as well as quarrying and earthmoving industries, Mining Products specialises in high quality ground engagement tools and wear protection products.

### About Corpay

Global businesses trust Corpay to power their international payments, execute plans to manage their currency risk and support their growth around the world. We aim to deliver unmatched service and expertise with respect to moving money. Utilizing our proprietary payment technology and hedging solutions, we combine the power and capability of a large financial institution with the agility of a fintech.

### What countries do you trade with and which currencies do you trade in?

We mainly deal with the USD with our American and Chinese suppliers, but we are increasingly using Euro as we import more from Spain. Given the sectors we service, there is a need to source products from a range of countries. Going forward we may increase the

number of countries and currencies we transact with – such as Vietnam, Indonesia and Thailand – as Australia navigates its relationship with China.

### What are your typical monthly currency volumes?

During an average month, we trade around AU\$1 million.

### Why do you need to manage currency risks? / What is your biggest challenge when it comes to receiving international payments and currency risk management?

For us, the volatility of the currency markets is our main challenge – as this can impact our bottom line greatly if we aren't properly hedged. We have found the volatility is mainly driven by geopolitical factors, so we keep an eye on US and global politics, and Corpay constantly keeps us informed about changes which may affect us. Particularly in the last year, the US presidential election and COVID-19 have played a large role in the volatility of markets.

It also goes without saying COVID-19 presented issues for managing our currency risks. When the dollar dropped, negotiating contracts with customers and suppliers became notably more difficult. During this time, Corpay helped



guide us through these unpredictable market swings, but without doing so we would have risked losing our competitive product pricing which may have strained long-term working relationships.

## Are there any examples of how currency risks have negatively affected your business in the past?

I have experienced under and over hedging – both of which can impact the business's profitability. We always do our utmost to forecast the volume of spend we required and then hedge that volume to avoid these risks. That is where having flexible hedging options which suit our business is crucial.

## What made you choose Corpay?

Upon starting in this role three and a half years ago, I assessed whether Corpay was still the best fit for the company who had been using their services for more than ten years. I found they not only consistently offer very competitive rates compared to banks, but Corpay provides fantastic service. They work to deeply understand our business, our current challenges and future business plans to generate great outcomes.

I can rely on Corpay to track currency movements and inform us when the markets are ripe for our purposes. In this way they really are a part of our team.

I often cross check with other providers to ensure we are getting the most competitive deal, but continue to find Corpay delivers in this sense.

## How do you use Corpay to manage your currency exposure and payments?

We speak with Corpay at least quarterly to discuss to plan our upcoming currency exposures and hedging positions.

With our business strategy and activity in mind, our Corpay representative is often in touch to discuss major market developments and share forecasts.

## What products / solutions do you use?

Over the years we have used a range of hedging products. Together with Corpay, we work through the solutions available and assess what will work best at any given time. We always factor in flexibility, so we can participate on the upside, while being protected on the downside.

## Can you give a specific example of how you have used Corpay to manage international currency exposure?

Corpay's support provides us security and confidence in our day-to-day operations. For instance, over the last three months where the Australian dollar has ramped up against the US, Corpay's support has been excellent. They regularly check in to share market updates and advise on hedging positions, which has been very helpful during the uncertainty of the last year.

## What is the single biggest reason you would recommend our service offering?

The level of service and professionalism Corpay offers is outstanding to be honest. The rates are great, but it is the fact you are never treated like just a number which sets them apart. Corpay provides a personal touch which makes you feel like you are a constant priority to them because they take the time to understand the needs of your business and ultimately deliver great outcomes.

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