

# CURRENCY MANAGEMENT SUCCESS: HOW GPS HELPED A UK FASHION RETAILER THRIVE



*In this insightful interview, we delved into a client case study with Paul, Head of Treasury and Investor Relations at a prominent fashion retailer based in the UK. With a turnover of approximately £900 million per year, this company operates in the competitive world of fashion. Join us as we explore Paul's experiences and learn how his collaboration with GPS Capital Markets has played a pivotal role in navigating the intricacies of currency management, risk mitigation, and fostering trust in the business relationship.*

**GPS:** *Paul, thank you so much for joining us. Can you give me some background on your company and role?*

**Paul:** Yeah, sure. So, I'm with a retail business, predominantly in the UK. I'm Head of Treasury and Investor Relations, and I've been in the role for five years. I've been with the business for nearly 16 years in various other finance positions, but really the last five as the Head of Treasury and hence the beginning of the relationship with GPS. We have an annual turnover of about £900 million. We are in the fashion retail business, selling women's wear, accessories, and footwear in stores and online. And we've just re-entered the EU selling to wholesale partners.

**GPS:** *Tell me about the Treasury team supporting you.*

**Paul:** Absolutely. We're a very small team, and there's a central Treasury function. There's myself plus three others, a Treasury Manager and two Analysts. And we look after 15 subsidiaries. We ensure that we have the right currency in the right company at the right place based on the working capital needs of the group.

**GPS:** *What types of currencies do you currently trade?*

**Paul:** We predominantly generate our sales in sterling, but we buy 60% of our inventories in US dollars. So, it's that exposure and the volatility in cable that we look to hedge.

**GPS:** *How long has your relationship been with GPS?*

**Paul:** We placed our first forward contracts in early 2019. Building a relationship with GPS was perfectly timed. It was definitely a need for the business, and it was one based on trust and transparency, and it's really flourished under that mantra for the last four or five years.

**GPS:** *You mentioned transparency. Can you describe what you mean by it?*

**Paul:** I think by having a transparent relationship with GPS, we know that we can trust each other in conversations that are generally had within four walls. It helps to really understand where both businesses come from without hidden motivations or underlying undertones. It builds trust between us.

**GPS:** *Can you share any specific results that you have achieved by working with GPS?*

**Paul:** Absolutely. With GPS and the ability to hedge our currency exposure in the future, we've created certainty in our P&Ls, fundamentally, where our margins are driven by the price that we buy those dollars and pay for our inventories. Over the last five years, we've saved a material amount just in terms of our margins and overall profitability for the business.

**GPS:** *What has stood out to you in doing business with GPS?*

**Paul:** I think the most memorable thing, and why I value the relationship with GPS so much, is that they're not pushy. They are always there with sound advice. They know exactly the right time to provide that advice. They're always thinking outside the box when it comes to various initiatives and other optionalities that the business may wish to consider. I really valued the breadth and depth of knowledge of the business that GPS is in. And for that, I am thankful.

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*Clients across the world trust GPS to minimize their FX risk and grow their international business by combining competitive exchange rates and our award-winning FXpert® platform with a host of tailored international financial solutions, including Intercompany Netting, Hedge Accounting, Balance Sheet Hedging, FX execution, Data Analytics, and Cash Flow Hedging. For more information, visit [www.gpsfx.com](http://www.gpsfx.com).*