

When the sales in 2018 and 2019 compared with each other by regions ROW has -4,645,339 USD while US has -142,896 USD change in first six months. When started deeply looking in ROW region there are 8 countries in total which are using USD 4 of them, EUR 3 of them and GBP. To investigation shows:

- The USD-based countries revealed a decrease of \$96,738 in revenue, attributed to a similar quantity sold but a higher proportion of cheaper items compared to more expensive ones.
- In countries using EUR, despite an increase in the number of items sold and revenue generated in EUR, the converted amount in USD decreased to -4,188,058 due to a 7.1% drop in the average exchange rate.
- In the GBP-using country, there is a significant gap between revenue generated in GBP and USD. Although two product families saw increased sales compared to 2018, resulting in profits in GBP, the converted revenue in USD dropped by \$360,543 due to a 6.4% decline in the exchange rate.
- The company is not following a local pricing strategy, resulting in year-over-year changes in product prices of approximately 6.5% due to fluctuations in the exchange rate.
- If the foreign exchange (FX) rate remains flat or uses the same exchange rate as in 2018 when calculating sales in the ROW region for 2019, the company will report \$76,922,567 instead of \$72,216,951, reflecting a 0.1% increase rather than a -6.0% decrease compared to 2018 sales in that region.

Based on these findings, the following insights should be acted upon:

- **Hedging Strategy:** The company should implement or adjust currency hedging strategies to better protect against future exchange rate fluctuations. This approach would enable them to maintain steady reported earnings, thereby reducing the volatility that foreign currency exposure currently adds to their international revenue.
- **Local Pricing Strategy:** The company should consider localized pricing adjustments in foreign markets. The prices remained constant in USD-based countries but fluctuated in EUR and GBP markets, causing skewness in USD reports. By aligning pricing strategies with exchange rate variances, the company can protect its profitability without relying solely on favorable currency conditions.