



FX Decision Memo - Seaside Hotel Santorini

Client Information

Client ID: santorini
Business: Seaside Hotel Santorini
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Report Date: 2026-03-29 14:41

Exposure Summary

Net exposure at risk: (local currency EUR): 104,500.00
Total local revenue: 254,500.00
Total local costs: 150,000.00

Revenue by Currency

Currency	Amount (foreign)	Expected Rate	Local Amount
GBP	180,000.00	1.1500	207,000.00
USD	50,000.00	0.9500	47,500.00

FX Scenario Analysis

FX Change	Profit (EUR)	Change vs Current
-15%	66,325.00	-38,175.00
-10%	79,050.00	-25,450.00
-5%	91,775.00	-12,725.00
+5%	117,225.00	+12,725.00
+10%	129,950.00	+25,450.00
+15%	142,675.00	+38,175.00
Current	104,500.00	-

**Hedge 100% of your exposure to lock in current profit
of EUR 104,500.00**

Methodology & Assumptions

The analysis in this memo is based on the following methodology:

- Net exposure is calculated as total local revenue minus total local costs.
- FX scenarios apply the same percentage change to each foreign currency's exchange rate.
- The recommended hedge ratio (65% for partial hedge) balances downside protection with upside potential.
- Thresholds for full hedge (net exposure > 100,000 local currency) and partial hedge (30,000–100,000) are based on typical materiality for SMEs.
- All calculations assume that revenue and cost timing are reasonably matched; no time value of money is considered.

Important Assumptions

This memo relies on the accuracy of the information you provided. Key assumptions include:

- Revenue and cost amounts are as forecasted by you.
- Exchange rates move independently and no other market factors affect your business.
- You have the ability to execute forward contracts with your bank or FX provider.
- No changes in your business model, pricing, or market conditions during the season.

Limitations of Liability

FX Decision Engine provides decision support only. We do not execute trades, hold client funds, or provide regulated financial advice. You are solely responsible for any hedging decisions you make. We recommend consulting with your bank or a qualified financial advisor before implementing any strategy.

Our liability is limited to the amount you paid for this memo. We are not liable for any indirect, special, or consequential losses, including lost profits resulting from exchange rate movements.

Next Steps

1. Review this memo with your team or financial advisor.
2. Contact your bank's treasury desk or an FX broker (e.g., Wise, OFX, or your local bank).
3. Request a forward contract for the recommended hedge amounts and duration.
4. Keep this memo for reference during the season.
5. If market conditions change significantly (e.g., exchange rates move beyond $\pm 12\%$ from current levels), contact us for a free review.

Contact Information

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