

FEI PROFIT & LOSS STATEMENT

	2022 Actual <i>Audited</i>	2023 ACTUAL <i>Audited</i>	2024 BUDGET <i>GA Approved</i>	2024 BUDGET <i>Revised</i>
REVENUES				
COMMERCIAL REVENUE				
Sponsorship revenue	22'824'096	25'078'913	26'047'643	26'047'643
Broadcast revenue	1'238'863	1'825'285	918'542	918'542
Digital campaigns/Services/Licensing	519'252	598'880	1'104'550	1'104'550
TOTAL COMMERCIAL REVENUE	24'582'212	27'503'078	28'070'735	28'070'735
OPERATIONAL REVENUE				
Annual subscr, GA & SF registrations	810'944	799'984	802'500	802'500
Calendar fees & organising dues	6'529'978	7'052'183	6'600'000	6'600'000
Hosting fees	1'321'999	2'727'450	763'400	763'400
Horse & Athlete registration fees	1'602'357	2'670'749	2'305'000	2'305'000
Passports & change of names	4'663'985	4'634'792	4'500'000	4'500'000
Fines & other legal contribution	1'292'295	609'860	400'000	400'000
Anti-doping & welfare	4'442'768	4'498'188	4'600'000	4'600'000
TOTAL OPERATIONAL REVENUE	20'664'325	22'993'206	19'970'900	19'970'900
NON-OPERATIONAL REVENUE				
IOC contribution	3'000'000	3'500'000	3'200'000	3'200'000
IOC/IF development programme	68'600	64'400	70'000	70'000
Rental revenue	511'572	520'774	520'000	520'000
Other revenue	227'979	130'129	95'000	95'000
Contribution from funds	2'293'043	977'066	3'300'375	5'255'875
Provision release	3'257'115	1'693'719	770'000	770'000
TOTAL NON-OPERATIONAL REVENUE	9'358'308	6'886'088	7'955'375	9'910'875
TOTAL NET REVENUES	54'604'845	57'382'371	55'997'010	57'952'510
EXPENSES				
COMMERCIAL EXPENSE				
Sponsorship expense	14'919'022	16'154'978	14'940'170	14'940'170
Broadcast expense	4'472'491	4'902'886	5'211'827	5'211'827
Other marketing expense	208'133	210'863	1'660'130	1'718'930
Digital	136'174	64'199	1'574'208	1'604'275
TOTAL COMMERCIAL EXPENSE	19'735'820	21'332'925	23'386'335	23'475'202
OPERATIONAL EXPENSES				
Professional fee/Consulting	4'636'956	4'399'158	4'638'374	4'453'474
Education	693'728	768'095	723'479	734'479
Printing expense	63'906	121'676	164'000	164'000
Integrity unit	266'951	222'255	250'000	250'000
Veterinary research	37'873	119'048	466'200	466'200
Anti-doping & welfare	4'088'557	4'548'852	4'010'000	3'785'000
Solidarity	1'402'557	1'486'150	2'030'873	2'030'873
TOTAL OPERATIONAL EXPENSE	11'190'529	11'665'233	12'282'926	11'884'026
GENERAL & ADMINISTRATION EXPENSE				
Staff charges	15'498'337	15'795'964	17'113'804	17'113'804
Travel & expenses				
FEI Staff	687'371	830'941	783'050	758'418
Non-FEI staff	1'121'786	1'468'835	1'164'090	1'146'590
Facilities charges	424'451	478'604	463'000	463'000
General services	190'579	199'049	216'000	216'000
Trophies & medals	149'638	141'799	184'419	228'919
Insurance	114'349	123'757	130'000	130'000
Depreciation	202'122	239'639	285'000	285'000
Tax	126'879	156'486	100'000	100'000
Allocation to funds	556'588	365'675	95'000	95'000
Other expenses	292'596	139'556	19'500	19'500
Special projects	693'492	2'024'448	315'000	2'187'050
TOTAL GENERAL & ADMINISTRATION EXPENSE	20'058'189	21'964'754	20'868'863	22'743'281
TOTAL EXPENSES	50'984'538	54'962'911	56'538'125	58'102'510
FINANCIAL RESULTS NET	-6'117'735	1'069'835	150'000	150'000
NET RESULT	-2'497'428	3'489'295	-391'115	0

Comments to 2024 FEI revised budget

(all numbers in '000 CHF unless otherwise specified)

Dear President, Members of the Board, Secretary General,

At the end of 2023, we presented a 2024 budget with a deficit of -391. This result highlighted the need to analyze our spending and revenue based on FEI strategic priorities. Our first conclusion has shown that the operating revenues do not cover FEI cost structure. On one hand, the FEI has invested and grown over the years, providing additional support and services. Moreover, the cost base was significantly hit by the post-COVID inflation. On the other hand, the financial charges have remained unchanged.

During this review, we have decided to challenge our expenses and prioritize our projects for 2024 resulting in a net cost adjustment of -391, bringing the revised budget to a neutral net result. Please find here below the explanations and details:

- **Total non-operational revenues**

- Contribution from funds: Additional budget of **+1'900** was approved, at February Executive Board meeting, to support the digital campaign for Paris. This extra budget, as well as, additional spending of **+55** for the Olympics will be funded by the Olympic fund and will have no impact on 2024 results.

- **Total commercial expenses**

- Marketing (branding) and digital expenses revised upwards by **+89** due to additional costs related to the LLN.

- **Total operational expenses**

- Anti-doping and welfare budget adjusted downwards by **-225** to 3,785.
- Professional fee/consulting reduced by **-185**, main actions on Technology & Sport Services with the prioritization of projects.
- Higher education costs **+11** (related to the Olympics) which will be compensated by the Olympic fund, as mentioned above.

- **Total General & Administrative expenses**

- Special projects with higher costs **+1872** are mainly related to the additional budget of +1,900 linked to the Olympic campaign and financed by the Olympic fund, as mentioned above. The difference of -28 is driven by lower cost from the Legal department budget (Concussion project).
- Trophies & medals **+44**, related to Paris 2024 and also compensated by the Olympic fund.
- Travel expenses budget revised downwards by **-42** to 1'905 (FEI employees and officials).

The current market environment is at the moment favorable with inflation levels stabilizing, recession avoided in EU and expected decrease of interest rates under discussions. Our portfolio is currently benefiting with a year-to-date April profit of 1,726. Nevertheless, due to geo-politic tensions and uncertainty effects around US elections, we recommend to take a conservative approach and keep the financial revenues budget unchanged.

Daniel Alvarez
Finance Director
21 May 2024