

FEI PROFIT & LOSS STATEMENT

	2021 ACTUAL <i>Audited</i>	2022 Actual <i>Audited</i>	2023 BUDGET <i>GA Approved</i>	2023 ACTUAL <i>Audited</i>
REVENUES				
COMMERCIAL REVENUE				
Sponsorship revenue	16'316'867	22'824'096	23'107'699	25'078'913
Broadcast revenue	3'516'186	1'238'863	1'018'100	1'825'285
Digital campaigns/Services/Licensing	74'925	519'252	828'280	598'880
TOTAL COMMERCIAL REVENUE	19'907'978	24'582'212	24'954'079	27'503'078
OPERATIONAL REVENUE				
Annual subscr, GA & SF registrations	403'457	810'944	797'500	799'984
Calendar fees & organising dues	5'393'502	6'529'978	6'500'000	7'052'183
Hosting fees	502'000	1'321'999	1'393'400	2'727'450
Horse & Athlete registration fees	1'319'920	1'602'357	2'075'000	2'670'749
Passports & change of names	4'304'060	4'663'985	4'000'000	4'634'792
Fines & other legal contribution	575'299	1'292'295	910'000	609'860
Anti-doping & welfare	3'611'350	4'442'768	4'300'000	4'498'188
TOTAL OPERATIONAL REVENUE	16'109'587	20'664'325	19'975'900	22'993'206
NON-OPERATIONAL REVENUE				
IOC contribution	16'266'000	3'000'000	3'500'000	3'500'000
IOC/IF development programme	64'400	68'600	70'000	64'400
Rental revenue	525'485	511'572	500'000	520'774
Other revenue	99'295	227'979	55'000	130'129
Contribution from funds	1'564'144	2'293'043	3'130'139	977'066
Provision release	0	3'257'115	2'026'378	1'693'719
TOTAL NON-OPERATIONAL REVENUE	18'519'324	9'358'308	9'281'517	6'886'088
TOTAL NET REVENUES	54'536'890	54'604'845	54'211'496	57'382'371
EXPENSES				
COMMERCIAL EXPENSE				
Sponsorship expense	8'003'797	14'919'022	15'178'880	16'154'978
Broadcast expense	4'126'244	4'472'491	4'981'490	4'902'886
Other marketing expense	130'181	208'133	290'000	210'863
Digital	12'306	136'174	281'210	64'199
TOTAL COMMERCIAL EXPENSE	12'272'528	19'735'820	20'731'580	21'332'925
OPERATIONAL EXPENSES				
Professional fee/Consulting	3'637'692	4'636'956	5'091'712	4'399'158
Education	310'986	693'728	818'225	768'095
Printing expense	103'396	63'906	145'000	121'676
Integrity unit	215'600	266'951	350'000	222'255
Veterinary research	96'579	37'873	395'000	119'048
Anti-doping & welfare	2'802'650	4'088'557	4'380'000	4'548'852
Solidarity	752'690	1'402'557	1'820'139	1'486'150
TOTAL OPERATIONAL EXPENSE	7'919'594	11'190'529	13'000'076	11'665'233
GENERAL & ADMINISTRATION EXPENSE				
Staff charges	14'244'069	15'498'337	16'830'760	15'795'964
Travel & expenses				
FEI Staff	514'904	687'371	873'025	830'941
Non-FEI staff	675'789	1'121'786	1'256'206	1'468'835
Facilities charges	377'436	424'451	464'000	478'604
General services	143'153	190'579	222'000	199'049
Trophies & medals	88'217	149'638	197'350	141'799
Insurance	111'956	114'349	115'000	123'757
Depreciation	170'440	202'122	217'000	239'639
Tax	132'084	126'879	55'000	156'486
Allocation to funds	15'287'012	556'588	70'000	365'675
Other expenses	405'755	292'596	19'500	139'556
Special projects	1'222'776	693'492	310'000	2'024'448
TOTAL GENERAL & ADMINISTRATION EXPENSE	33'373'590	20'058'189	20'629'841	21'964'754
TOTAL EXPENSES	53'565'712	50'984'538	54'361'496	54'962'911
FINANCIAL RESULTS NET	2'711'325	-6'117'735	150'000	1'069'835
NET RESULT	3'682'503	-2'497'428	0	3'489'295

Comments to FEI financial results for the fiscal year 2023

(Numbers in `000 CHF unless specified)

REVENUES**Commercial revenue**

- Sponsorship revenue
Sponsorship revenue amounted to 25'078 in line with the budget. As usual, the sponsorship revenue, includes the exchange of invoices we make with our top partner to allow him to recover the VAT on the value in kind sponsorship (1'963). This invoice is mirrored by a cost invoice in the same amount in Sponsorship Expense. The impact on the FEI books is neutral.
- Broadcast revenues (1'825) were higher than the budget due to the cashing of the final settlement under the IMG contract (787) that ended in 2022 and was not budgeted for as we could not ascertain when that would happen.

Operational revenue

- Calendar Fees & Organising Dues amounted to 7'052, 552 above budget. 2023 was a good year on that front and brought us back to 2019 (pre-covid) levels.
- Horse & Rider registration are 1.0 mio higher than 2022 levels following the increase in horse registrations to finance the developments of the horse app.
- Hosting fees were much higher than budgeted due to an agreement with the organiser of the World Cup Final in Omaha. In this agreement, both parties agreed to increase the hosting fee in exchange for the FEI to pick up additional expenses from the organiser. This was done at the request of the organiser. It was neutral to the FEI P&L.
- Passports number came out 634 better than the budget but in line with 2022 numbers.
- The Anti-doping and welfare programme generated revenues of 4'498 in 2023, slightly higher than the budget.

Non-operational revenue

The IOC contribution line amounted to 3'500, as budgeted. It represents the amount released to the profit and loss released yearly during the Olympic cycle.

Contribution from funds represents how much was used from the various funds from the FEI balance sheet in 2023 to cover expenses financed by funds. These items are listed in note 12 of the audit report. The main item was a release from the IT-Fund (562) to pay for updating our website solution and IT-platform.

Provision releases are detailed in note 13 of the audited financial statements. The main items consist of:

- 613 from EADCMP provision. As anti-doping revenues are the same as expenses, we decided to release some of the provision to pay for the indirect costs related to the anti-doping program (staff – legal – finance)
- 755 from 2018 WEG provision which is only a cleaning-up of an old provision that had no purpose to be maintained in the books.

EXPENSES**Commercial expenses**

- Sponsorship expenses were 1.0 mio below budget once cleaned up of the amount for our invoice exchange with Longines on value in kind. Lower costs are coming from the fact that there is a smaller number of qualifiers than planned for the LFJNC series.

Operational expenses

- The total operational expenses are 1'335 below the budget as a result of savings compared to budgeted expenses, particularly in professional fee and consulting.

Anti-doping and welfare programs

You will notice that the revenues for that section amount to 4'498 and the expenses amount to 4'548. Don't forget that there are expenses related to this program in other sections of the P&L such as Legal expenses, 50% of Integrity Unit and staff charges to administer the program, representing about 800. Therefore as explained above, we released 613 from EADCMP provision to partially compensate for that.

G&A expenses

- Staff charges are about 1'035 below budget, reflecting some savings due to timing differences between budgets and reality in replacing people leaving the FEI in 2023.
- Allocations to fund amounting to 365 are listed in note 17 of the audited financial statements.
- Special project exceeded budget by 1.7 mio. Most of the difference comes from the expenses generated by the agreement with the organiser of LFWC Final were booked in that section.

Net financial results

They amounted to 1'069 in 2023 due to a positive performance of the portfolio which started to recover from the heavy loss in 2022. Interest rates stabilised and inflation seemed to be in control after sharp increases in 2021 and 2022.

2023 turned out to be a good year for the FEI with a net profit of 3'489. This brings our reserves to 24'070, very close to the minimum of 25'000 that were recommended in our risk evaluation strategy. Therefore, given to good results, we decided not to use the Solidarity Fund for the projects in 2023. In effect, this measure increases the Solidarity Fund for future projects by 1'218. As of 31.12.2023, the balance of the Solidarity fund amounted 10'856. This is already accounted for in the audited figures.

Claude Praz
CFO
21 May 2024.