



# IKEA UK Annual Summary

FINANCIAL YEAR 2024



## Better Homes



**£117 million**  
invested in lowering prices



Introduced IKEA pick-up lockers in 3 locations



Half price meal offer launched for IKEA Family members

## Better Lives



**42 placements**  
on the UPPNÅ refugee employment programme completed



Invested over £35 million in the financial wellbeing of our co-workers



New partnership with the Baby Bank Alliance launched

## Better Planet



**55,841**  
items bought back through our Buyback & Resell service

**7.3%**  
reduction in our operational waste since FY23



**65%**  
of last mile deliveries in FY24 were zero emission

## Better Company



**1.7%**  
Positive operating profitability




**Over 40%**  
of sales across the UK are made online




**13.6%**  
increase in online transactions since FY23


\*The IKEA UK financial year 2024 runs from September 2023 – August 2024. '2024' in this report refers to this time period.

# Our UK Presence

**21** **IKEA Stores**

**1** **City Store in Hammersmith**  
\*Oxford Street and Brighton to open in FY25.

**3** **Distribution Centres**

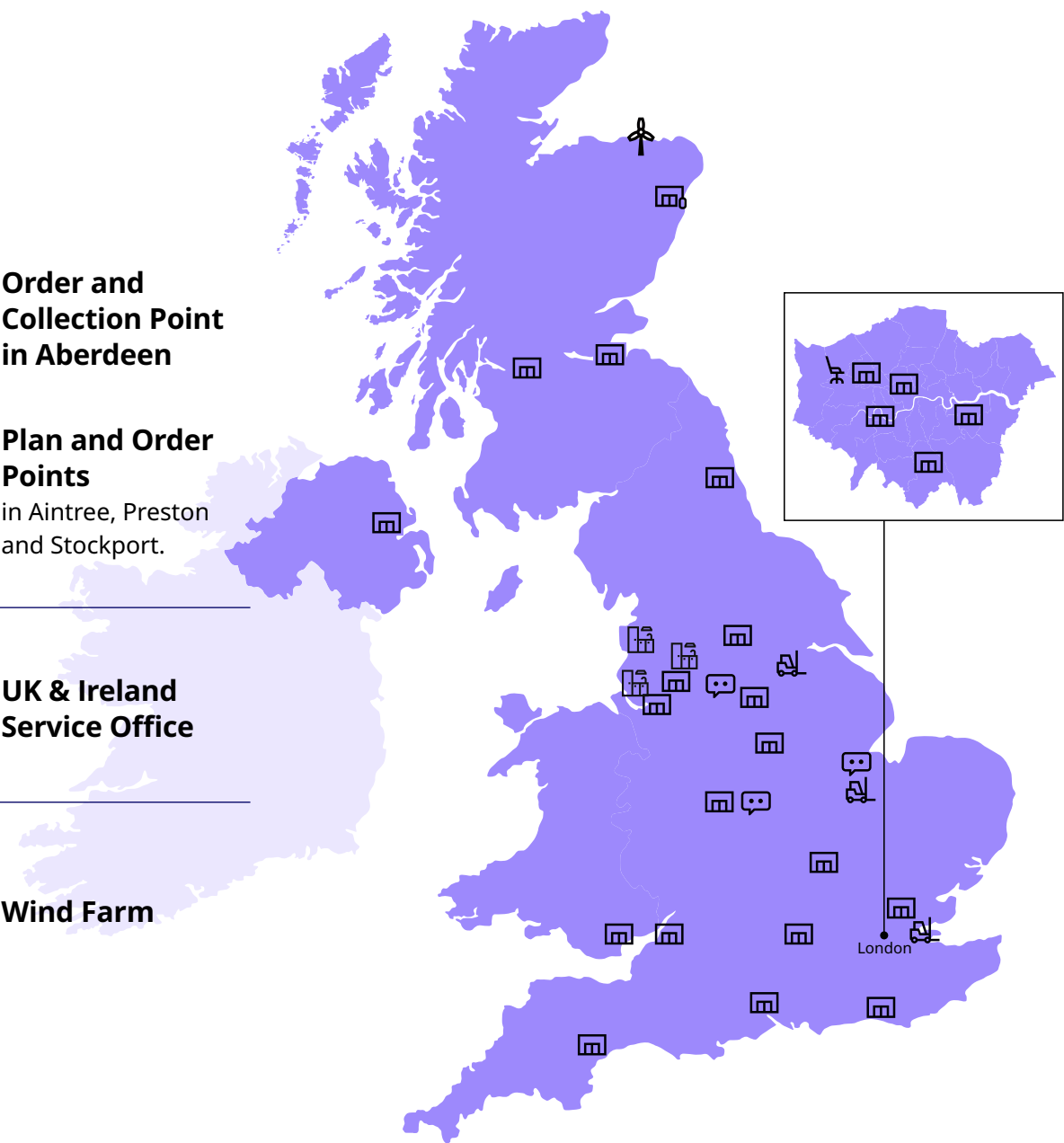
**1** **Remote Customer Meeting Point**  
with hubs in Peterborough, Sheffield and Aston.

**1** **Order and Collection Point in Aberdeen**

**3** **Plan and Order Points**  
in Aintree, Preston and Stockport.

**1** **UK & Ireland Service Office**

**1** **Wind Farm**





# Investing in a Better Everyday Life for the Many



**2024 was a year of resilience and progress. In a challenging economic landscape, we made bold choices to stay true to our purpose of creating a better everyday life for the many.** Guided by this purpose, throughout 2024 we continued to make progress with our strategy to make IKEA affordable, accessible and sustainable. We consciously lowered prices on some of our favourite products, ensuring our range remained within reach for as many people as possible. Despite a 6.7% reduction in revenue, we achieved a positive operating profitability.

Our accessibility agenda has this year focused on bringing IKEA products closer to our customers. With over 40% of our sales now made online, we expanded the ways customers can receive their products, offering greater choice and flexibility. From same-day Click & Collect to an extended partnership with Tesco, we've made it easier than ever to shop with IKEA—whether in-store, online, or through our app.

Sustainability remains a key focus and building on the groundwork laid in 2023, we achieved 960,000 zero-emission deliveries and expanded our renewable heating and cooling systems to five more sites in FY24. We also made significant strides in reducing operational waste and enhancing energy efficiency, all while maintaining our commitment to achieving climate targets without offsetting. As part of our commitment to becoming a truly circular business, we have continued to strengthen our circular services—such as Buyback & Resell— which are

giving products a second life, reducing waste, and helping customers make more sustainable choices.

Our co-workers are always at the heart of everything we achieve. I am proud that we pay our co-workers a real Living Wage as members of the Living Wage Foundation. This year, alongside pay, we invested in our co-worker's wellbeing, flexibility, and growth opportunities – demonstrating that a career in retail offers endless possibilities.

Beyond our business, we are deeply invested in the communities we serve, working to make a lasting, positive impact. This year we were proud to launch a new partnership with the Baby Bank Alliance which supports families in need of basic baby and child essentials. In addition to funding essentials, we aim to raise awareness of the increasingly important role and impact baby banks have for the one in three children and their families living in poverty in the UK.

As we enter 2025, I am optimistic about the opportunities we have ahead of us. With our guiding vision of creating a better everyday life for the many people, I am certain we will build upon the strong foundations we have established throughout 2024. This positions us to continue fostering better homes for our customers, enriching lives for co-workers and communities, and advancing our ambition to create a better planet for all.

**Peter Jelkeby, CEO and Chief Sustainability Officer**



# Better Homes







## Better Homes for Our Customers

At IKEA, we bring decades of expertise in home design and functionality, offering affordable and accessible solutions to help customers create spaces they love. In 2024, we continued to focus on providing great value and practical home furnishings, ensuring our products remain accessible to all.

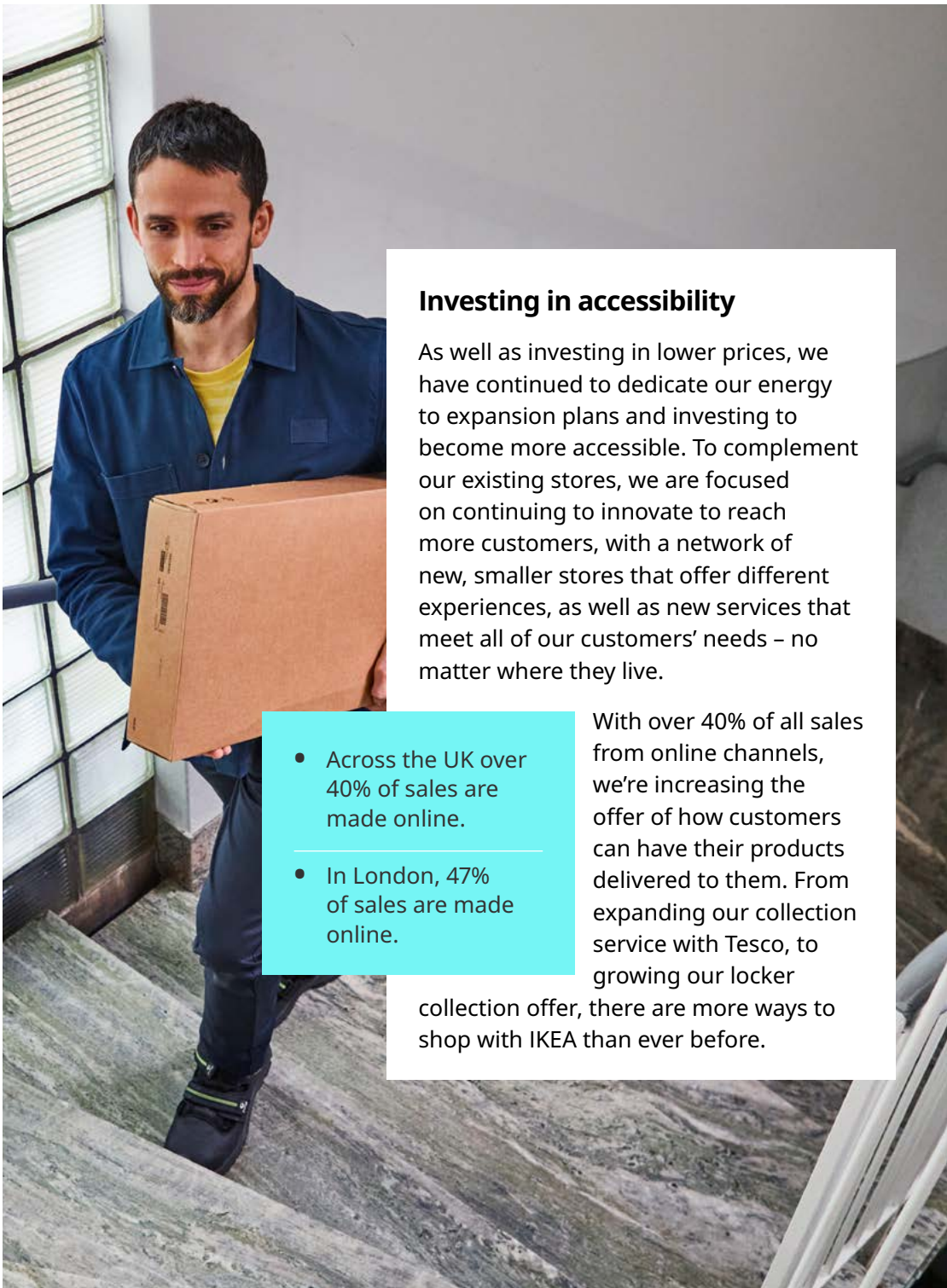
In FY24, we focused on making our products and services even more affordable and convenient, whether through our new lower prices, new delivery options, or innovative store formats. By understanding these changing needs, we are staying true to our vision of creating a better everyday life for the many people, ensuring that everyone has the opportunity to build a home that reflects their aspirations and fits their budget.



### Investing in new lower prices

At the heart of IKEA is a mission to ensure that as many people as possible have access to good quality furniture, including those with the thinnest wallets. Affordability has always been at the core of IKEA and as the cost-of-living crisis continued throughout 2024, we stuck by our commitment to affordability for our customers by investing over £117m to lower the price of some of our most popular products.

- Our popular MALM range has seen bedside tables, bedframes and chests of drawers drop in price, with the latter down to £79 from £99, and a dressing table with a New Lower Price of £89 from £99.
- Items from our HEMNES range were lowered in price, with a HEMNES dressing table now priced at £159 from £179.



### Investing in accessibility

As well as investing in lower prices, we have continued to dedicate our energy to expansion plans and investing to become more accessible. To complement our existing stores, we are focused on continuing to innovate to reach more customers, with a network of new, smaller stores that offer different experiences, as well as new services that meet all of our customers' needs – no matter where they live.

- Across the UK over 40% of sales are made online.
- In London, 47% of sales are made online.

With over 40% of all sales from online channels, we're increasing the offer of how customers can have their products delivered to them. From expanding our collection service with Tesco, to growing our locker collection offer, there are more ways to shop with IKEA than ever before.





### Expanding our delivery and collection offers

In 2023, we launched a trial of customer mobile pick-up points in partnership with Tesco. Due to its success, we've now rolled out over 100 pick-up points at Tesco car parks offering a quick, easy and convenient option for customers to pick up their favourite items with their weekly shop.

Beyond our mobile pick-up points, we offer a range of click-and-collect options. Customers can collect their orders from one of over 10,000 local DPD points as well as same-day, free click-and-collect across all IKEA stores. Sales through our Click and Collect service make up 9% of our total business sales – up from 0% in FY19, and the price of our home delivery service is now 27% lower than it was in FY23.

### IKEA Lockers

In FY24 we introduced our new and exciting pick-up lockers. The lockers went live in three locations across the UK as part of a global IKEA trial.

Our pick-up lockers have been specially designed to meet the needs of our customers. Each locker station is an impressive 32msq and contains 35 lockers of different sizes, able to accommodate a range of orders, from smaller IKEA products such as picture frames to larger products such as bookcases or even PAX wardrobes.





## Swe-dish savings

Our food offer has always been a customer favourite, with many of our customers coming to visit our stores for the sole purpose of enjoying one of our iconic dishes.

Throughout FY24 we continued to side with the many people and introduced more offers to help our customers save money. We launched our Swe-Dish Fridays, which was available exclusively to IKEA Family members every Friday from February to August 2024. Customers were able to buy our most iconic dishes for half the price. Dishes included IKEA's famous Meatballs meal for only £2.45, while our children's Pasta and Tomato Sauce meal was available for just 45p.

- In FY24 we sold 5,434,000 meatball dishes and 691,000 plantball dishes.
- Two years ago, we launched our 95p meal for kids. In FY24 we sold 269,750 kids' meals.
- In FY24 we sold over 3.5 million hotdogs.

## Fur-niture for the whole family

At IKEA, we know pets are more than companions – they're family. That's why we introduced the UTSÅDD collection in FY24, our first-ever pet range designed with input from veterinarians, pet experts, and even a panel of enthusiastic cats and dogs! The 29-piece UTSÅDD collection focuses on four key activities pets love most – eating, sleeping, playing, and hiding – offering functional, stylish solutions to enhance their lives and make pet care

a joy for their humans. It's all about creating a better everyday life for every member of the family, furry ones included. To launch the range, we partnered with Woodgreen Pets Charity to showcase the collection and highlight the importance of pet adoption ensuring that all the animals featured in the photoshoot found loving homes (which they all did!). We also donated £10,000 to support the charity's incredible work.







### **IKEA Family rewards**

This year we were thrilled to launch our IKEA Family Rewards programme, designed to show our appreciation for our incredible customers in a whole new way. With over 10 million members already part of our IKEA Family, this programme

makes every purchase even more rewarding. Now, every £5 spent earns our members a point, and those points can unlock exciting perks – from discounts on our iconic furniture to savings on delivery and even special treats in our restaurants.



### **Bringing plans to life**

At IKEA, we're committed to making home planning simple, accessible, and inspiring. Our planning services offer customers the opportunity to collaborate with expert planners to design kitchens, living spaces, bedrooms, and more, all tailored to their unique needs and budgets.

Whether in-store or from the comfort of home, our planners help transform ideas into practical solutions. In 2024, over 70,000 customers booked planning appointments with us, demonstrating the value and convenience of this personalised service.





# Better Lives





## Better Lives for Our Co-workers and Communities

In a year marked by challenging business conditions, we are particularly proud of our commitment to invest in our people and communities. At IKEA, we see our co-workers as the cornerstone of our success and our ongoing efforts reflect this belief. We have made significant progress in building a supportive environment, offering not only fair pay, but also enhanced benefits and wellbeing initiatives. Our commitment to better lives extends far beyond our stores. We believe in supporting the wider communities we are part of, creating positive change through meaningful partnerships and initiatives.



## Fair Pay

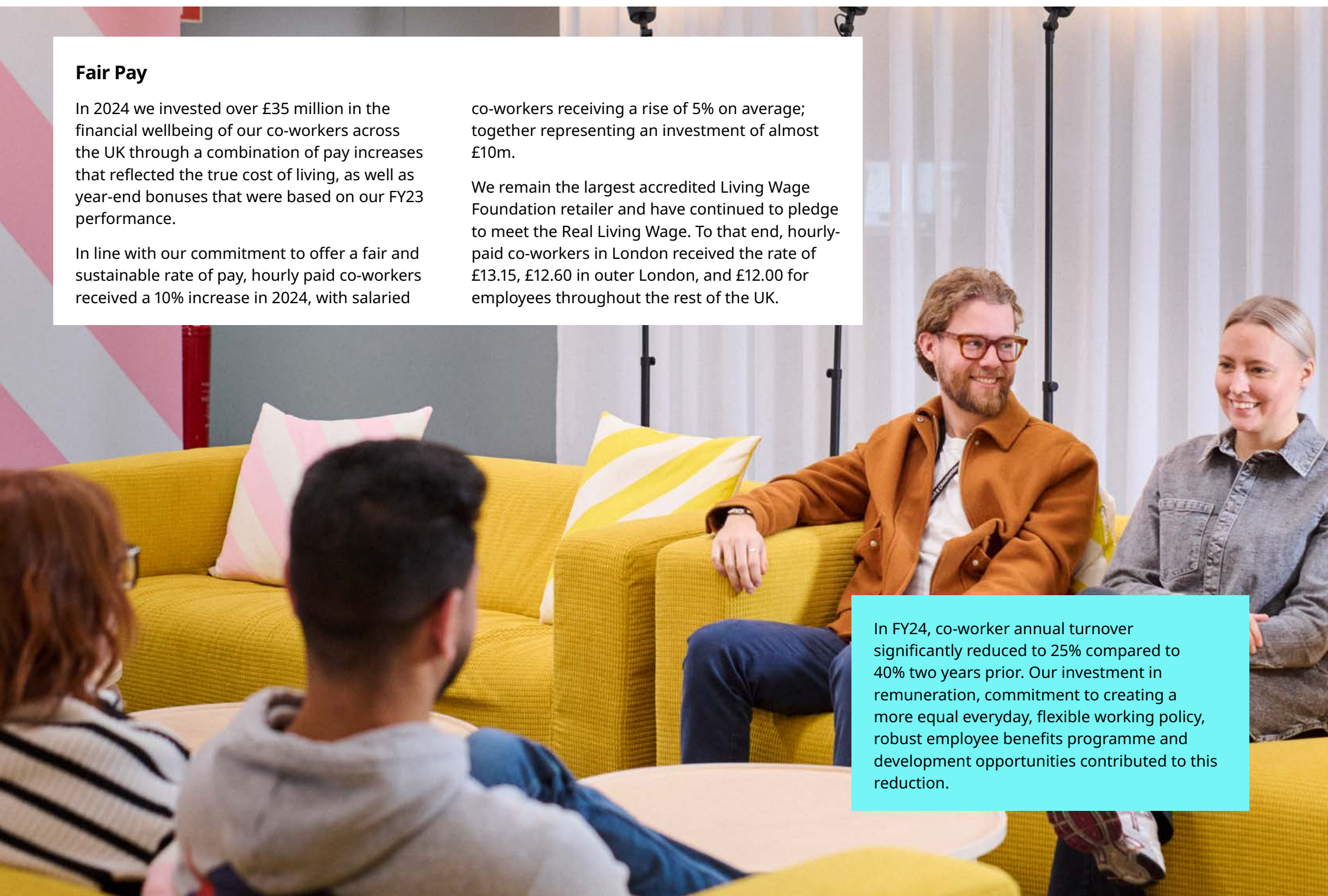
In 2024 we invested over £35 million in the financial wellbeing of our co-workers across the UK through a combination of pay increases that reflected the true cost of living, as well as year-end bonuses that were based on our FY23 performance.

In line with our commitment to offer a fair and sustainable rate of pay, hourly paid co-workers received a 10% increase in 2024, with salaried

co-workers receiving a rise of 5% on average; together representing an investment of almost £10m.

We remain the largest accredited Living Wage Foundation retailer and have continued to pledge to meet the Real Living Wage. To that end, hourly-paid co-workers in London received the rate of £13.15, £12.60 in outer London, and £12.00 for employees throughout the rest of the UK.

In FY24, co-worker annual turnover significantly reduced to 25% compared to 40% two years prior. Our investment in remuneration, commitment to creating a more equal everyday, flexible working policy, robust employee benefits programme and development opportunities contributed to this reduction.







### Flexibility and enhanced benefits

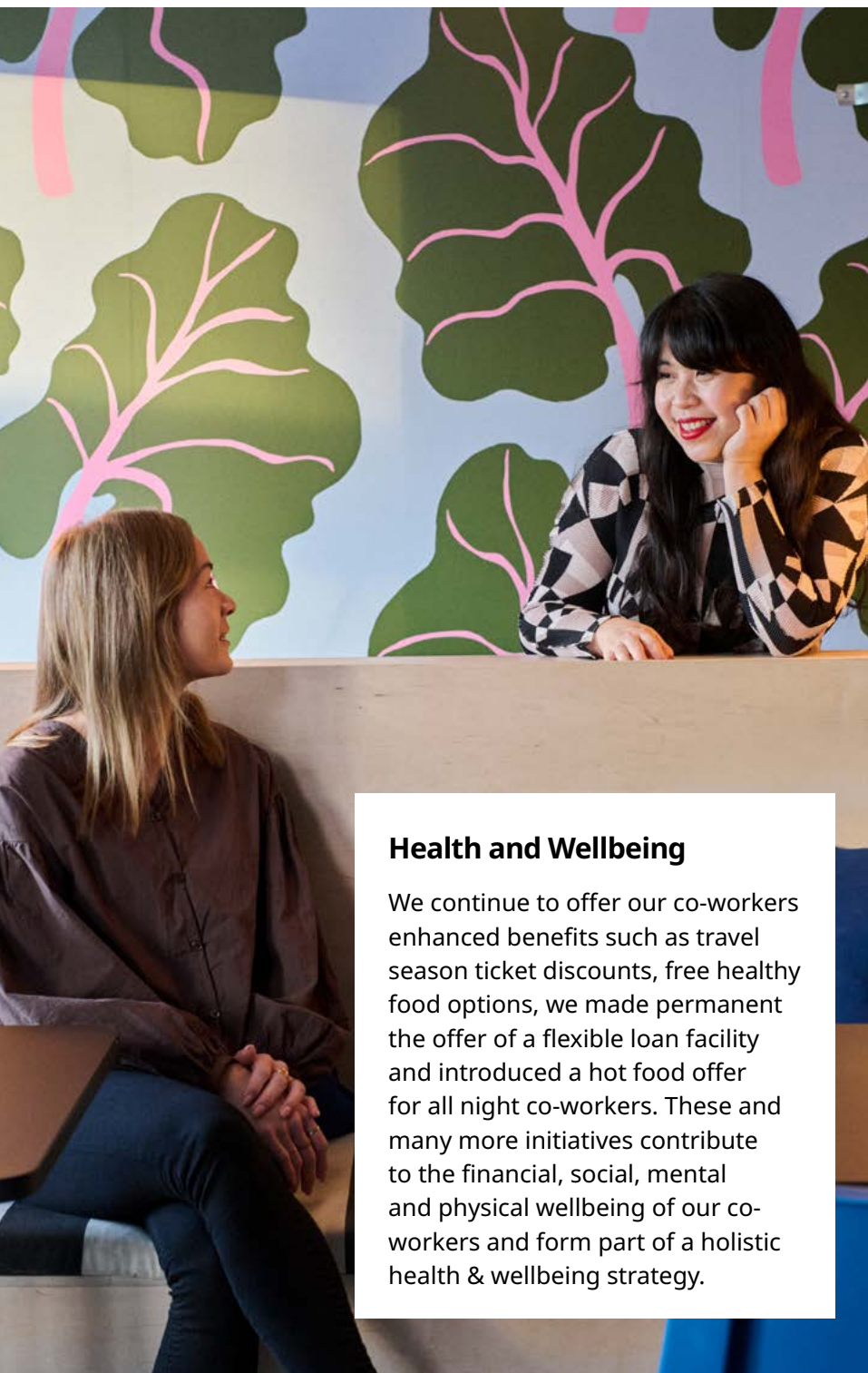
Providing greater flexibility supports our goal to create a workplace environment that reflects the communities we serve, attracting and retaining diverse talent at IKEA UK across all levels of our business. Over the next three years, our Flexibility Roadmap will help us to create a modern and dynamic workplace that utilises new technologies and tools to unlock new ways of working and unleash the potential of our co-workers to achieve both our short-term goals and long-term vision.

To get there, we will test, try and pilot new and innovative operating models to help define the best possible approach to deliver our flexibility roadmap and ensure the thoughts of our co-workers inform our strategic direction.

#### This includes:

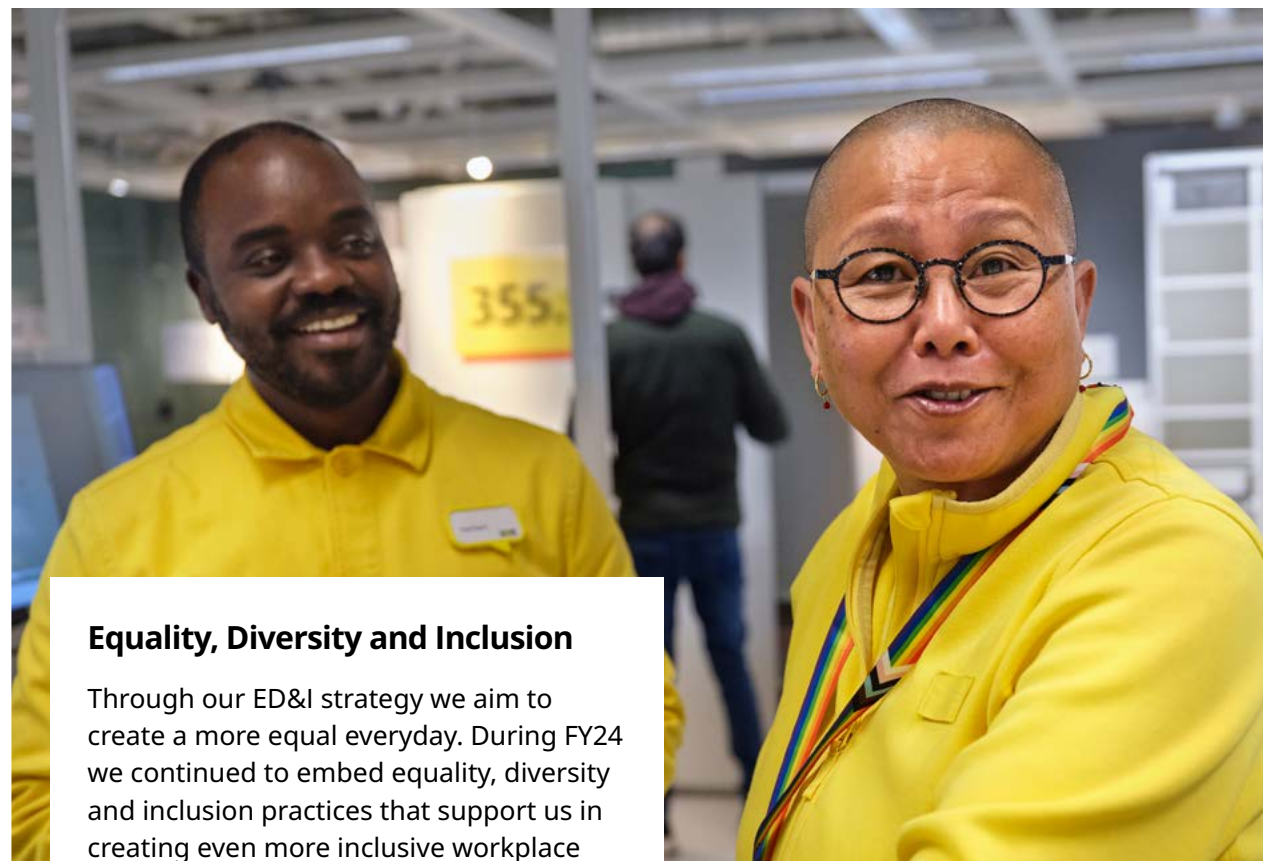
- **We Schedule Us:** A program designed to empower our co-workers to take control of their work-life balance by allowing them to schedule their own work hours.
- **Omni-Location Working:** A flexible approach enabling co-workers to work across multiple stores.
- **New Flexible Working Policies:** We've introduced policies such as compressed hours, allowing co-workers to work full-time hours over fewer days, and the option of a 9-day fortnight, where they work nine days within a two-week period.
- **Flexible Breaks:** A policy that gives co-workers the autonomy to decide when to take their breaks during their shifts, fostering a more personalised and productive working experience.





### Health and Wellbeing

We continue to offer our co-workers enhanced benefits such as travel season ticket discounts, free healthy food options, we made permanent the offer of a flexible loan facility and introduced a hot food offer for all night co-workers. These and many more initiatives contribute to the financial, social, mental and physical wellbeing of our co-workers and form part of a holistic health & wellbeing strategy.



### Equality, Diversity and Inclusion

Through our ED&I strategy we aim to create a more equal everyday. During FY24 we continued to embed equality, diversity and inclusion practices that support us in creating even more inclusive workplace environment.

#### Our strategy has three goals:

- Build and sustain diverse teams that reflect societal demographics.
- Create an inclusive IKEA where everyone can be their unique selves, grow and thrive.
- Introduce more people to the IKEA brand, our products, and the values we represent.

In FY24 we launched our Rise Up Programme which is aimed at unlocking the potential of co-workers from under-represented ethnic groups across the north of the UK. 25% of those who participated developed into a new role, including some co-workers taking career steps in a different location. Our measurements demonstrated that taking part in the programme helped to increase our participants confidence to put themselves forward for new opportunities.



### UPPNÅ – Our refugee employment programme

Our UPPNÅ programme aims to support refugees by providing meaningful work experience and helping them build the skills needed to thrive in the job market. In partnership with various charities and partners, this initiative provides fully paid, eight-week placements in IKEA stores across the UK. Paid at the Living Wage, the programme has helped many participants secure permanent roles, proving that together, we can open doors to new possibilities.

Beyond the employment opportunities provided within IKEA, we are committed to ensuring that refugees can become valued and active members of society. We encourage businesses across all sectors to embrace refugee inclusion and benefit from the diverse skills and perspectives they bring. To support this, we have developed an open-source toolkit, offering practical guidance for companies looking to create meaningful employment opportunities for refugees. By working together, businesses can play a vital role in fostering inclusion, strengthening communities, and unlocking the potential of refugee talent.

- At the end of FY24 we achieved 42 placements across 9 of our stores.

### Assembling IKEA careers on Roblox

This year, IKEA launched its first-ever virtual store on Roblox, blending innovation and play to showcase the diverse career opportunities at IKEA in an interactive, gamified format. The virtual store invites users to explore IKEA's world, from home furnishing showrooms and the Swedish Food Market to immersive design challenges and behind-the-scenes roles. Players can step into the shoes of IKEA co-workers, taking on tasks like designing interiors, managing inventory, or serving up iconic hotdogs in the Bistro, all while levelling up their skills and earning exclusive IKEA-themed virtual items.

Reflecting the real-life flexibility of IKEA careers, players can shape their own journey, pursuing promotions, exploring different roles, or honing expertise in a chosen field. As part of the launch, a recruitment campaign invited users to apply for one of 10 paid roles as virtual IKEA co-workers. The initiative drew an incredible 178,000 applications in just two weeks.

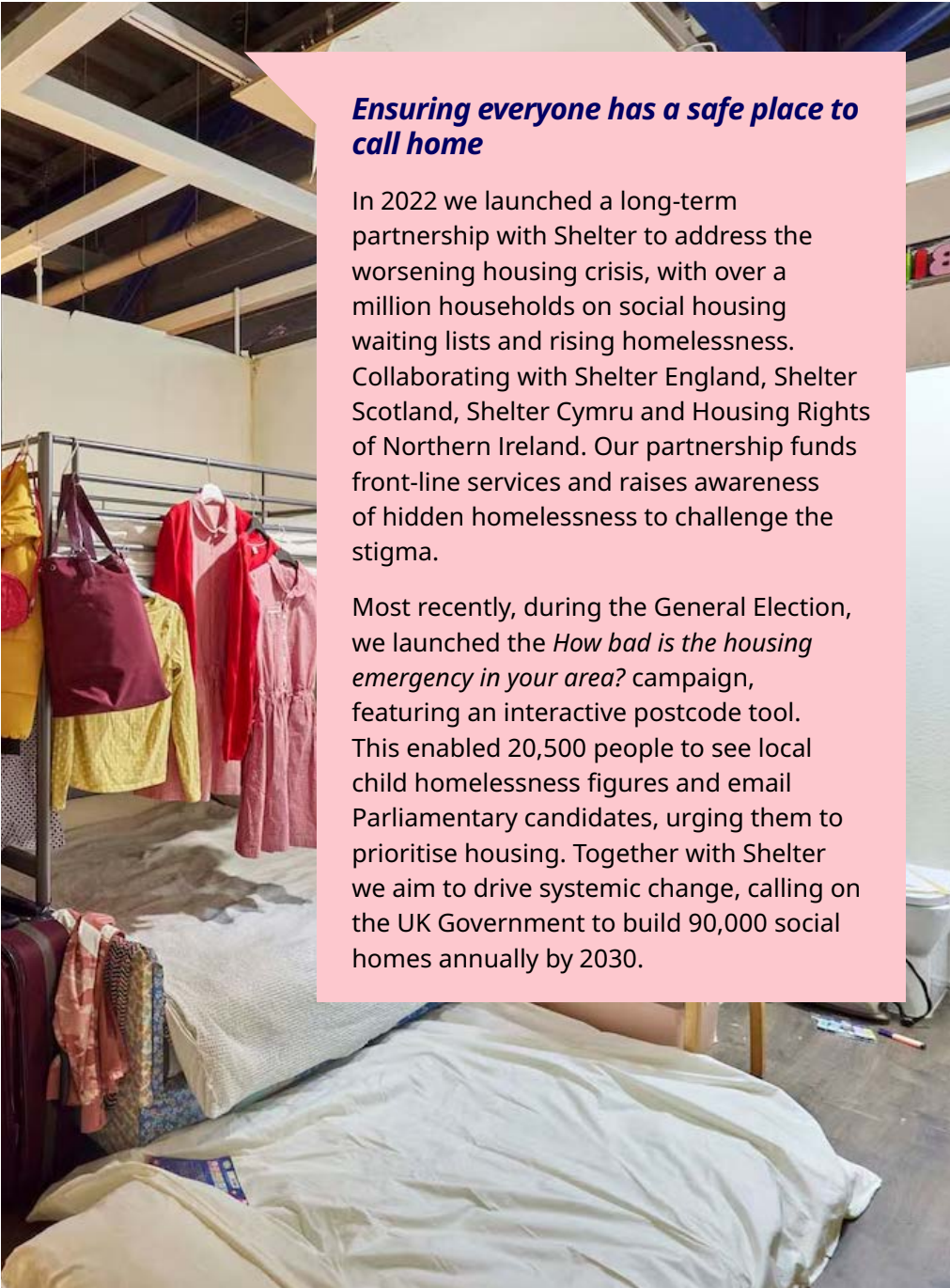




### Neighbourhood's Approach

At IKEA we believe that home is the most important place in the world which is why we created our Neighbourhoods Approach to support the local communities where we operate and where our co-workers and customers live.

Our Neighbourhoods Approach helps us move beyond one off donations to creating long-term strategic partnerships to provide lasting positive social change in society. We use our unique business strength and capabilities, such as our expertise in home furnishing solutions and our voice as well as our products and financial support to add value to our partnerships.



### Ensuring everyone has a safe place to call home

In 2022 we launched a long-term partnership with Shelter to address the worsening housing crisis, with over a million households on social housing waiting lists and rising homelessness. Collaborating with Shelter England, Shelter Scotland, Shelter Cymru and Housing Rights of Northern Ireland. Our partnership funds front-line services and raises awareness of hidden homelessness to challenge the stigma.

Most recently, during the General Election, we launched the *How bad is the housing emergency in your area?* campaign, featuring an interactive postcode tool. This enabled 20,500 people to see local child homelessness figures and email Parliamentary candidates, urging them to prioritise housing. Together with Shelter we aim to drive systemic change, calling on the UK Government to build 90,000 social homes annually by 2030.

## ***Working together to end homelessness***

As part of our campaign to end homelessness we are also part of a national project spearheaded by The Royal Foundation. Homewards, launched by His Royal Highness, The Prince of Wales, is a five-year locally led programme which will demonstrate that by working together it is possible to end homelessness: making it rare, brief and unrepeatable. Together with organisations from a range of sectors and industries, IKEA will contribute with skills and resources to support the programme to deliver the solutions needed to prevent homelessness.

Our support of The Royal Foundation also includes being a leading company on the Early Years Task Force. We have donated £250,000 of our Apprenticeship Levy funds and have so far supported the training of 19 apprentices for careers focused on early childhood, the period from pregnancy to age five, across 11 organisations.



## ***Helping families build a brighter future***

This year we developed a new partnership with The Baby Bank Alliance. Baby banks are having a huge impact in their local communities, supporting families in need of basic baby and child essentials. In 2023 alone, baby banks helped over 200,000 babies and children in the UK, gifting more than 1.2 million items to families in need. Through this collaboration we aim to raise awareness of the increasingly important role and impact baby banks have for the one in three children and their families living in poverty in the UK. Donations from the campaign have been used to support more families, including funding essentials such as sleep and play related items. In our first year working together we donated £100,000 to the charity to up-scale their support of local communities in Brighton and London.

IKEA partners with the Baby Bank Alliance - IKEA.

## ***Targeted help for care leavers***

For seven years, our partnership with Barnardo's has been a steadfast commitment to empowering young people as they step into life beyond the care system. So far, we've seen almost 4,000 individuals engage with our LifeLabs Portal, an interactive platform, co-created with care-experienced young people to offer tips and guidance on how to make a house a home on a limited budget.

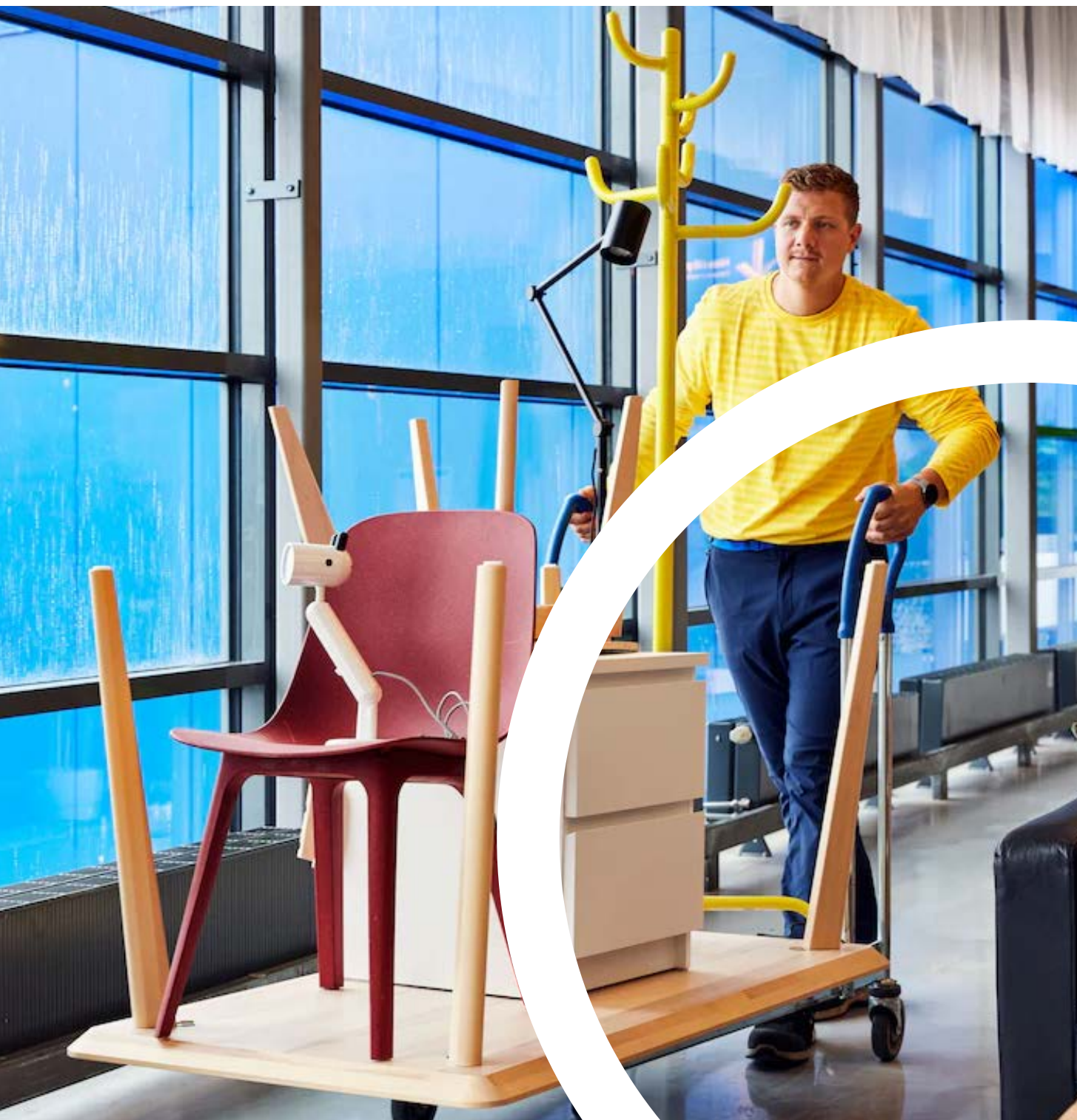
In 2024, we continued to deliver our 'Care Crates' that are packed with essential IKEA products to help care experienced young people as they move into independent accommodation. The crates are co-created with beneficiaries themselves and have a focus on safety and sustainability in the home. They underpin some of our wider work to fund workshops and support networks for care experienced young people. Additionally, we utilised our co-worker skills in home furnishing design and our product range to transform GAP homes and resource centres for Barnardo's across the UK.









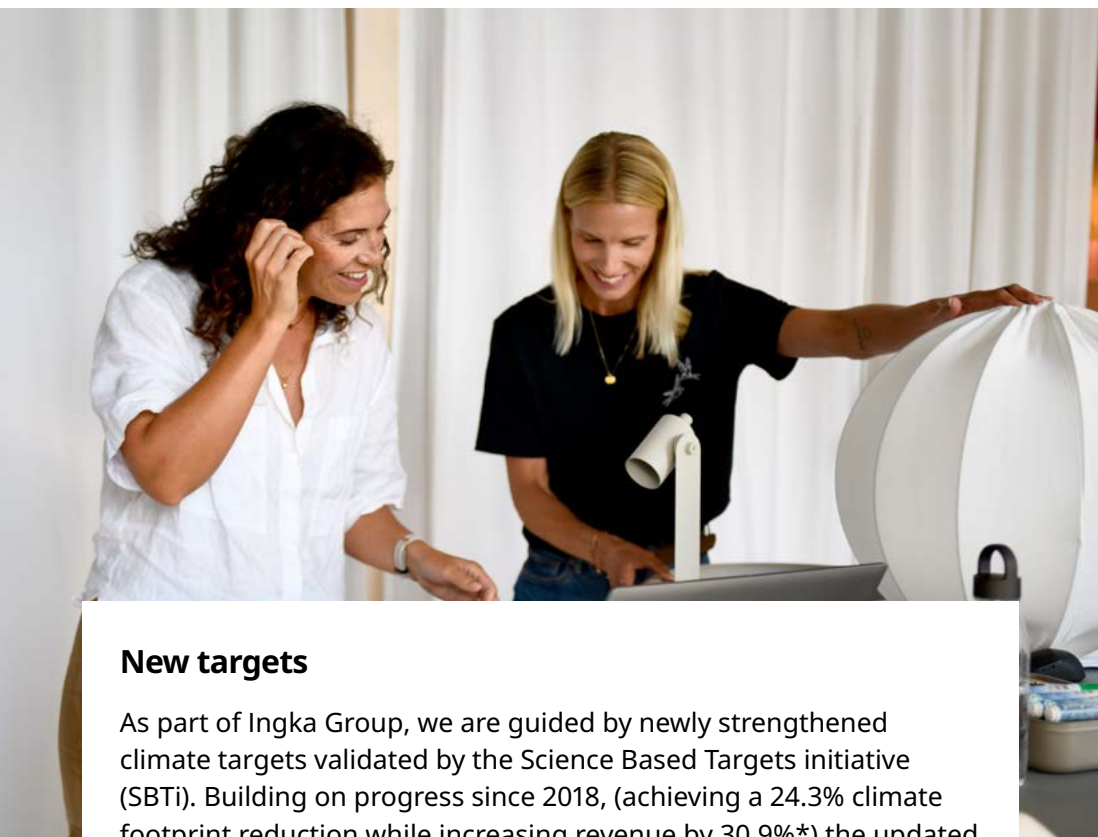


## A Better Planet For All

Our vision is to create a better everyday life for the many people. In today's world, this means transitioning our business and value chain to drastically reduce our climate footprint. It's our responsibility to the home we share and what our customers and co-workers expect and to future generations.

We all have a responsibility to act and at IKEA we are committed to doing our part to make a difference. Throughout FY24, we have continued to drive meaningful change and integrate sustainability into every aspect of our business. Collectively these efforts move us forward in our work to create a better everyday life for the many while safeguarding the planet for future generations.





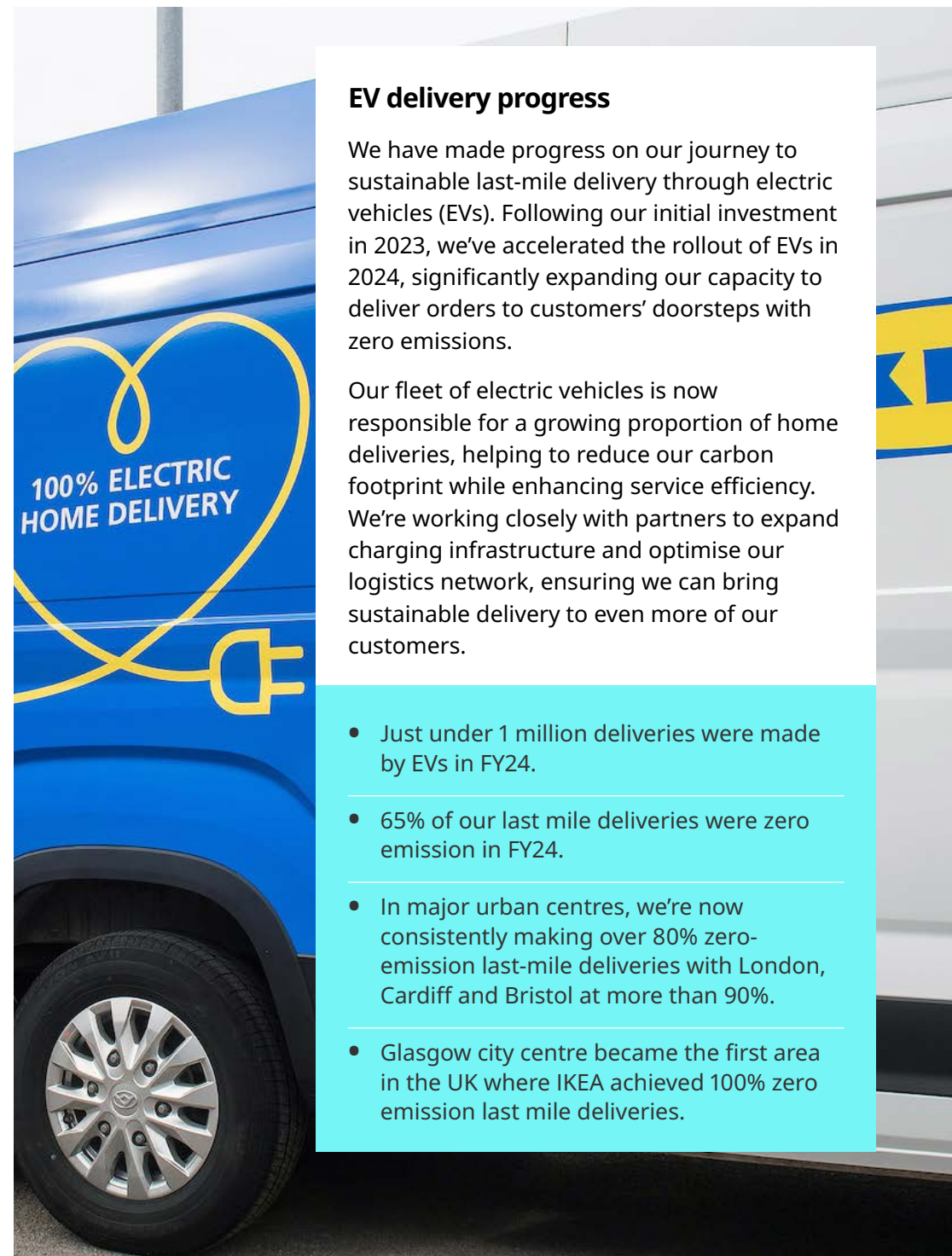
## New targets

As part of Ingka Group, we are guided by newly strengthened climate targets validated by the Science Based Targets initiative (SBTi). Building on progress since 2018, (achieving a 24.3% climate footprint reduction while increasing revenue by 30.9%\*) the updated targets commit to reducing absolute greenhouse gas emissions across the IKEA value chain by at least 50% by 2030, compared to 2016 levels, and achieving net zero by 2050 without the use of carbon offsets.

This will be achieved by:

- Using more materials and food ingredients with a low climate footprint.
- Striving towards electrification with 100% renewable energy.
- Providing sustainable mobility solutions.
- Improving energy efficiency.
- Promoting choices with a lower climate footprint.
- Transitioning into a circular business.

\*This figure represents the total Ingka Group reduction up to FY23.



## EV delivery progress

We have made progress on our journey to sustainable last-mile delivery through electric vehicles (EVs). Following our initial investment in 2023, we've accelerated the rollout of EVs in 2024, significantly expanding our capacity to deliver orders to customers' doorsteps with zero emissions.

Our fleet of electric vehicles is now responsible for a growing proportion of home deliveries, helping to reduce our carbon footprint while enhancing service efficiency. We're working closely with partners to expand charging infrastructure and optimise our logistics network, ensuring we can bring sustainable delivery to even more of our customers.

- Just under 1 million deliveries were made by EVs in FY24.
- 65% of our last mile deliveries were zero emission in FY24.
- In major urban centres, we're now consistently making over 80% zero-emission last-mile deliveries with London, Cardiff and Bristol at more than 90%.
- Glasgow city centre became the first area in the UK where IKEA achieved 100% zero emission last mile deliveries.



## Driving circularity

We are committed to becoming a fully circular business, reducing waste and extending the life of products. Through our innovative Buyback & Resell service, customers can return their used IKEA furniture in exchange for credit, allowing items to find a new home through our second-hand Re-shop & Re-use market. In FY24, 55,841 items were bought back through the buyback service, a 10% increase compared to FY23. Additionally, we provide spare parts for free, helping customers repair and refresh their furniture instead of discarding it, this year we gave out 539,195 free spare parts in store and online to help customers to prolong the life of the products they love.

# 55,841

items were bought back through the Buyback & Resell service in FY24



## Reducing our operational waste

We aim to reduce our operational waste and strive for 100% recycling of waste generated in our operations by 2030. We have a Zero Waste Working Group to help us improve performance on waste and drive circular resource flows.

Our total waste has decreased by 7.3% since FY23 and by 29% since our baseline year in FY16. The reduction is a result of reducing the volume of product handling and packaging materials in our retail operations.

It has been a challenge to increase our recycling rate, which has remained at around 76% for the past three years. To address this, we have been working to review ways to increase our recycling rates, particularly in recycling infrastructure and co-worker competence.

IKEA launched a zero waste to landfill policy in FY16. In FY24, we sent no waste to landfill.



## Powered by renewable electricity

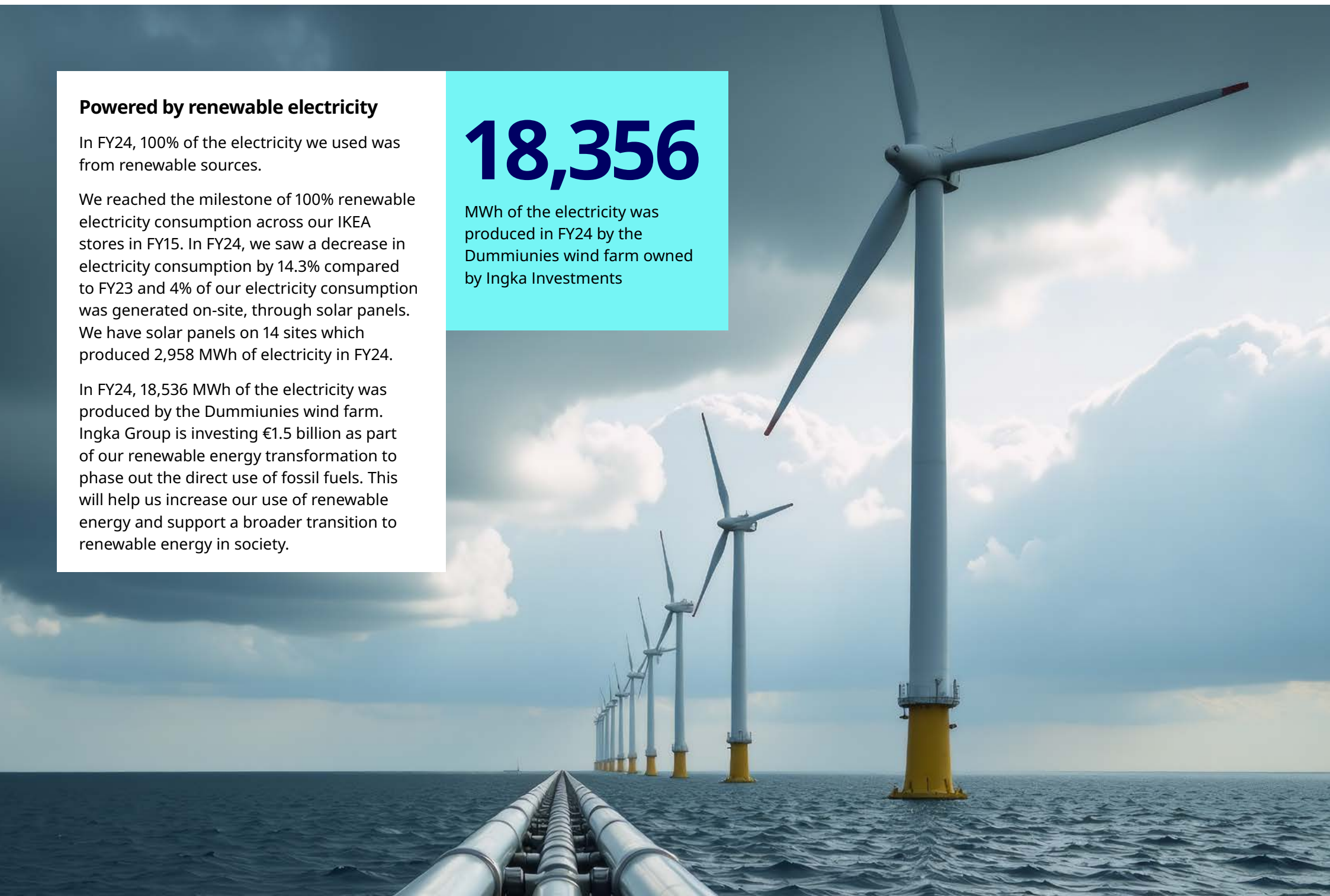
In FY24, 100% of the electricity we used was from renewable sources.

We reached the milestone of 100% renewable electricity consumption across our IKEA stores in FY15. In FY24, we saw a decrease in electricity consumption by 14.3% compared to FY23 and 4% of our electricity consumption was generated on-site, through solar panels. We have solar panels on 14 sites which produced 2,958 MWh of electricity in FY24.

In FY24, 18,536 MWh of the electricity was produced by the Dummiunies wind farm. Ingka Group is investing €1.5 billion as part of our renewable energy transformation to phase out the direct use of fossil fuels. This will help us increase our use of renewable energy and support a broader transition to renewable energy in society.

# 18,356

MWh of the electricity was produced in FY24 by the Dummiunies wind farm owned by Ingka Investments





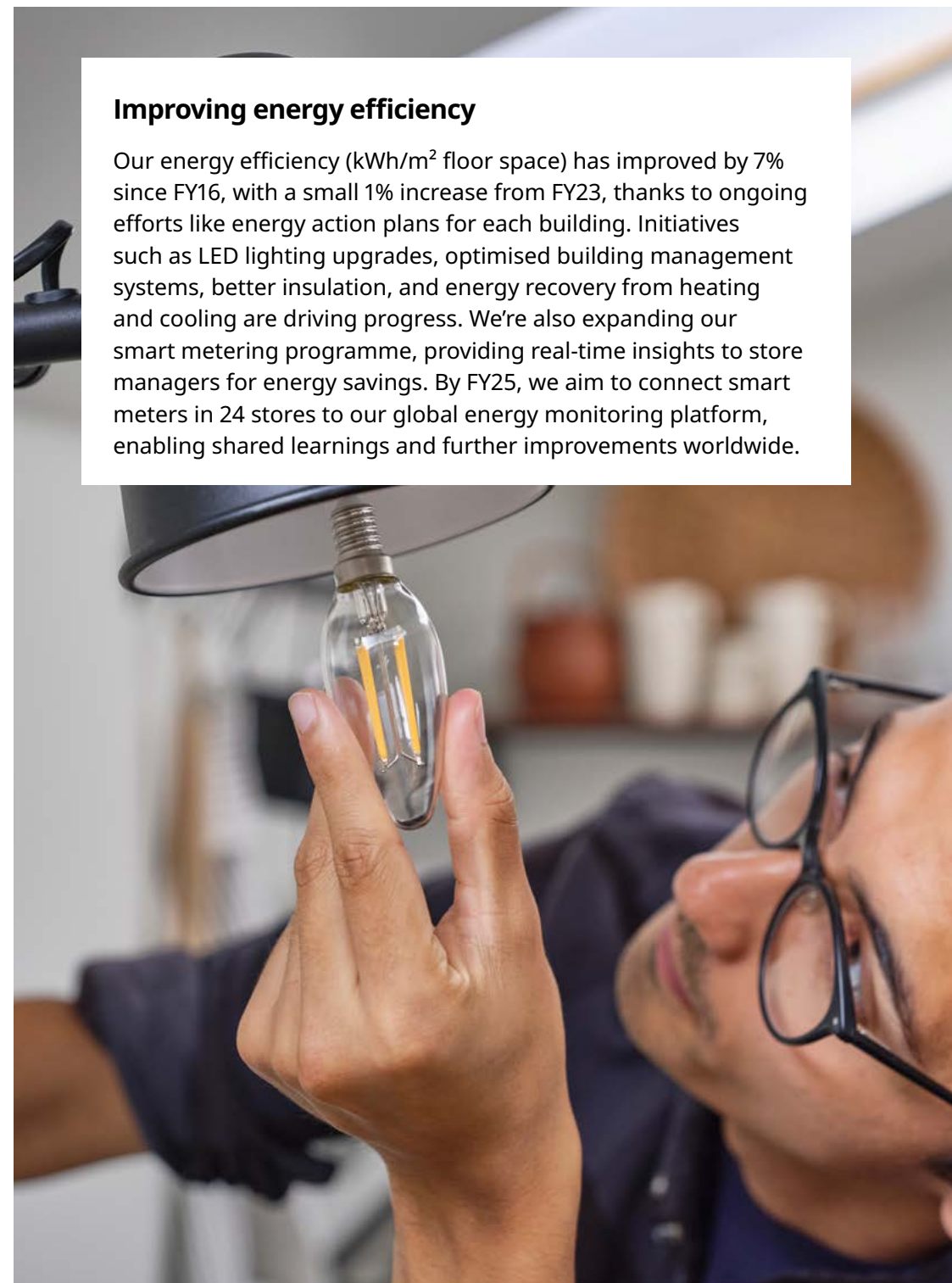
### Renewable heating and cooling

We have started to reduce greenhouse gas emissions through the use of renewable heating and cooling (mainly heat pumps powered by renewable electricity). During FY24, we have started projects to retrofit five sites with renewable heating and cooling. All sites we have opened since FY18 (new stores, Ingka Centres meeting places and fulfilment units), are equipped with heat pumps.

Our greenhouse gas emissions related to heating and cooling increased by 1% compared to FY23 due to colder weather and increased usage. In the coming years, we aim to improve our performance by implementing further energy efficiency measures and converting all our buildings to renewable heating and cooling by FY30.

### Improving energy efficiency

Our energy efficiency (kWh/m<sup>2</sup> floor space) has improved by 7% since FY16, with a small 1% increase from FY23, thanks to ongoing efforts like energy action plans for each building. Initiatives such as LED lighting upgrades, optimised building management systems, better insulation, and energy recovery from heating and cooling are driving progress. We're also expanding our smart metering programme, providing real-time insights to store managers for energy savings. By FY25, we aim to connect smart meters in 24 stores to our global energy monitoring platform, enabling shared learnings and further improvements worldwide.





# Better Company







## Better Company For Now and Generations to Come

For 80 years, IKEA has shown how profit and purpose can go hand in hand, using our resources to invest in a better everyday life for the many people. Instead of maximising profit in the short-term, we focus on optimising the impact we create both within our business and for the world around us in the medium to long-term.

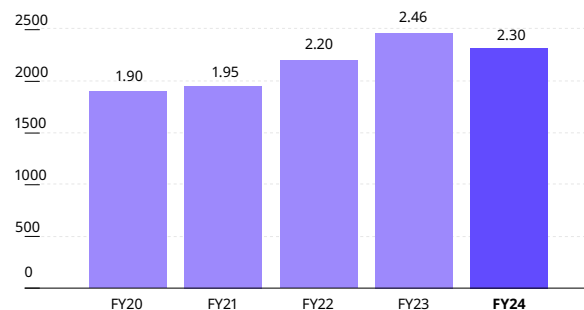
In 2024, a year with many challenges within the macro and micro economic environment, a declining home furnishing market and increased inflationary pressures, IKEA UK remained focused on laying the groundwork for long-term success. We stepped up our investments in creating better homes for our customers by making our products and services more affordable and more accessible to many more people. We also invested significantly in creating better lives for our co-workers and communities while contributing towards a better planet for all by advancing our sustainability goals. These strategic decisions are not just responses to today's challenges but commitments to creating a resilient business, ready for the future.



# Our Financial Performance

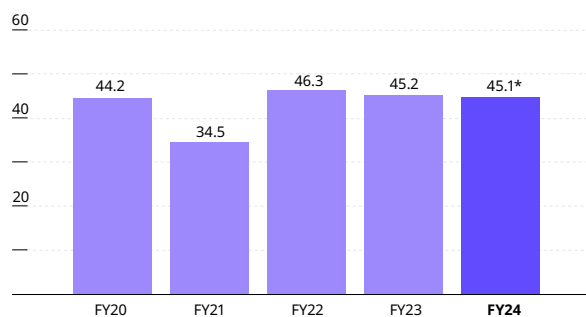
## Total sales in the UK

Turnover in billion Pounds



## Store visits

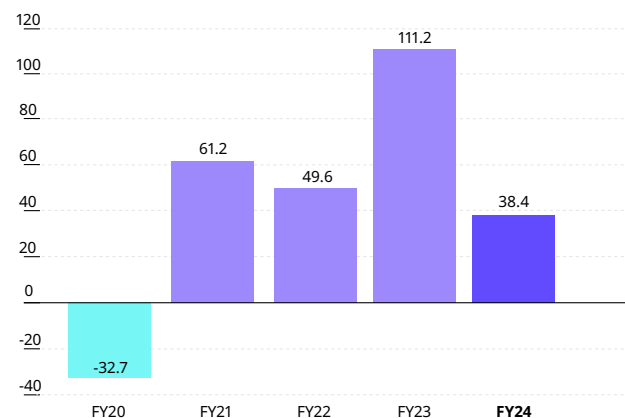
Number of visitors in million



\*Our store visits data was compiled using a Real Time Visitor Counter (RTVC) which we transitioned to in FY24. The figures may not be comparable with previous years.

## Operating profit

Operating profit in million Pounds



## Online transactions



**5.2 million**

+13.6% vs FY23

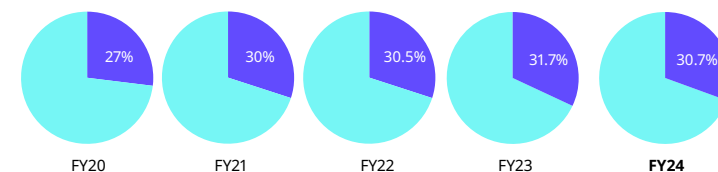
## Online sales increased



**+1.7%**

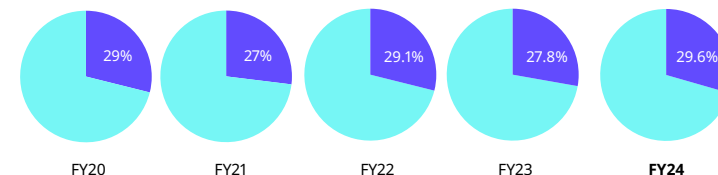
vs FY23

## Gross margin



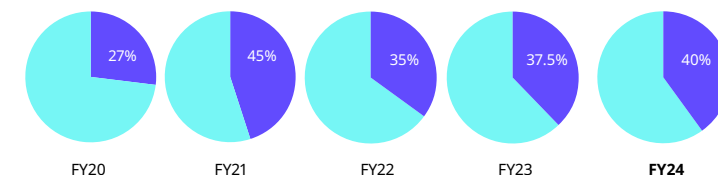
## Operating cost ratio

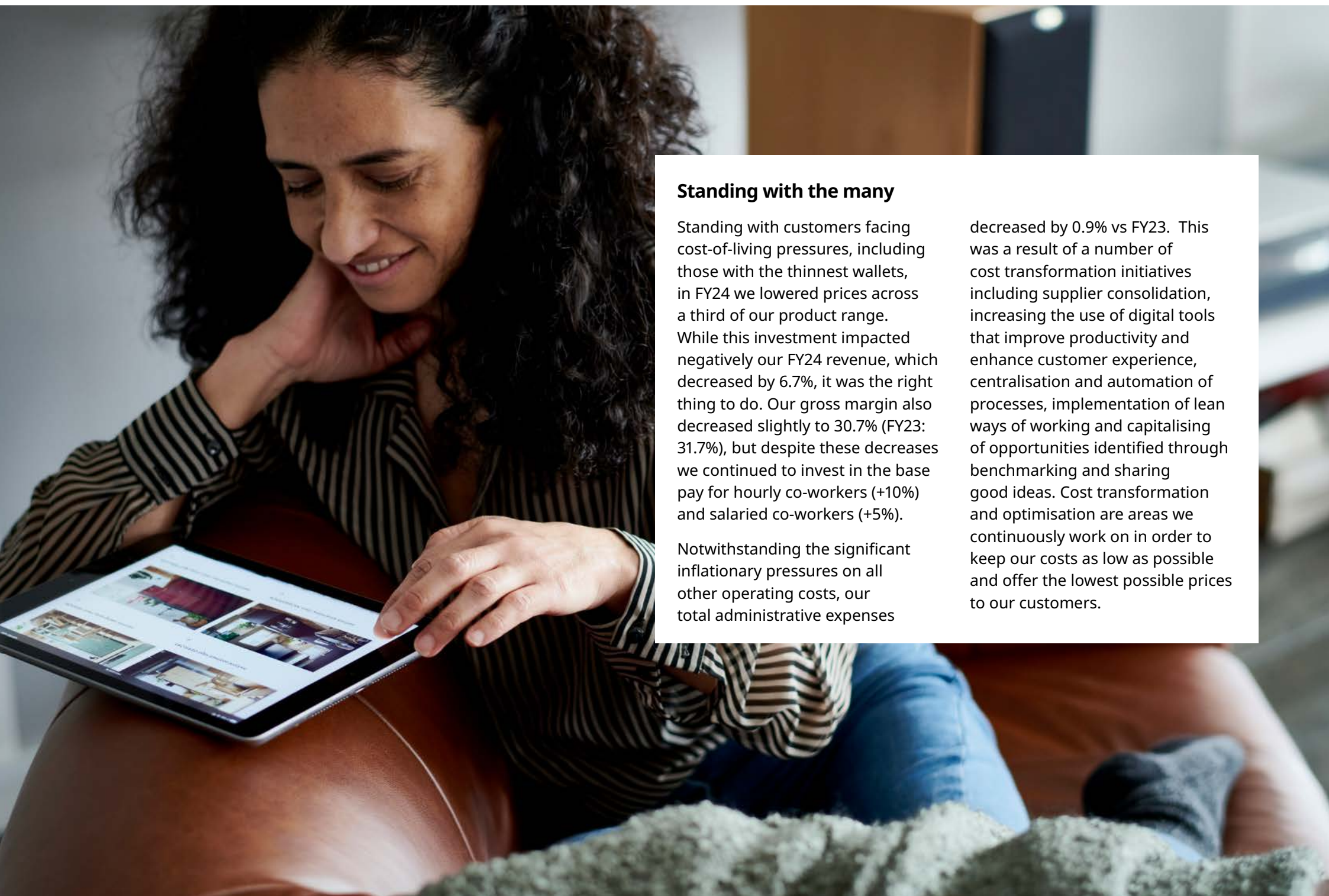
Operating costs percentage of total sales



## Online share

Share of online sales of total sales





### Standing with the many

Standing with customers facing cost-of-living pressures, including those with the thinnest wallets, in FY24 we lowered prices across a third of our product range. While this investment impacted negatively our FY24 revenue, which decreased by 6.7%, it was the right thing to do. Our gross margin also decreased slightly to 30.7% (FY23: 31.7%), but despite these decreases we continued to invest in the base pay for hourly co-workers (+10%) and salaried co-workers (+5%).

Notwithstanding the significant inflationary pressures on all other operating costs, our total administrative expenses

decreased by 0.9% vs FY23. This was a result of a number of cost transformation initiatives including supplier consolidation, increasing the use of digital tools that improve productivity and enhance customer experience, centralisation and automation of processes, implementation of lean ways of working and capitalising of opportunities identified through benchmarking and sharing good ideas. Cost transformation and optimisation are areas we continuously work on in order to keep our costs as low as possible and offer the lowest possible prices to our customers.



## Investing for the future

We are proud that in a year of adverse economic conditions, when the home furnishing market saw a decline of 5.8%, we decided to make significant investments in prices and in the base pay of our co-workers and yet maintain a positive operating profitability of 1.7% (FY23:4.5%). We strongly believe that FY24 will form a strong base for the years to come in terms of increased co-worker engagement, improved customer satisfaction and growth in market share. We made major strides in our journey to become more accessible, affordable and sustainable and we are in a strong position to build on these achievements in FY25 and the years to come.

Stepping into FY25, we look forward to our highly anticipated opening of two new City Stores, on Oxford Street in London and in central Brighton. Additionally, we are looking into new locations for more small format customer meeting points, which will create a more accessible IKEA for many more people. Our ambition is also to continue investing in our people both in the base pay in accordance with the Living wage Foundation guidelines and in initiatives promoting the health and wellbeing of our co-workers as well as Diversity, Equity and Inclusion. Finally, in FY25 we are committed in stepping up our investments when it comes to reducing our climate footprint and supporting our communities through our Neighbourhoods Approach.



## Profit with Purpose

At IKEA, profit has a purpose. We have shown that instead of maximising profit in the short-term, we are focused on using our resources to invest in a better everyday life for the many people, optimising the impact of our profits both within our business and for the world around us.

The majority of our profit is reinvested into the company, ensuring we can continue to innovate, grow, and deliver on our vision, but a portion is shared with our sole owner, the INGKA Foundation, which supports the IKEA Foundation's charitable work.

The IKEA Foundation is a global charity dedicated to creating brighter futures for children by tackling poverty and climate change—the two biggest threats to their well-being. The Foundation supports innovative solutions and initiatives that empower communities, improve lives, and protect the planet.







# About IKEA



IKEA was founded in Älmhult, Sweden by Ingvar Kamprad in 1943. Since then, we've gone from being a tiny mail-order company, to becoming one of the most well-known home furnishing brands in the world.

## Our vision

**To create a better everyday life for the many people.** Our vision influences everything we do. The products we develop, the ideas we share and the materials we use.

## Our business idea

To offer a wide range of well designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them Our business idea captures the essence of IKEA. It also captures our never-ending desire to improve all aspect of our product offer – and still being able to keep on lowering our prices. In today's world, where more and more people live in small spaces in big cities, our business idea is more valid than ever.

## Our heritage

Ingvar Kamprad founded IKEA when he was 17 years old. Kamprad sold household products, such as pens, wallets and picture frames. The landscape in Småland at the time was stony and barren. During Ingvar's early life, people had very little means and had to make do with things on hand. Smålanders are therefore said to be thrifty and innovative and take a practical approach to solving everyday problems. This heritage is one of the explanations for our approach to our work and our success.

## The IKEA value chain

The IKEA value chain is our circle of life. It starts with listening to our customers to understand their needs and dreams and listen to their feedback. The next step is when we use that knowledge to design and create products. We always strive to develop the IKEA products on the

factory floor, and then go into full scale manufacturing. Next comes packaging and distribution where we do everything we can to transport the products as cost efficiently and as sustainable as possible. As the products reach the different sales channels, we use different ways to inspire and interact with people so they discover and hopefully buy our products. Then, once again, we're back where we started – listening to and learning from both existing and potential customers. At the centre of it all is our vision to create a better everyday life for the many people.

## Our culture and values

A strong IKEA business is dependent on a strong IKEA culture. It contributes significantly to a more efficient and effective IKEA organisation, which in turn sets us apart from others and helps us make a better IKEA for more of the many people. Our values are the compass that guides us in our everyday ways of being and doing things. Our culture is formed when we put these values into action.

### The 8 IKEA Key Values are:

- Togetherness
- Caring for people and planet
- Cost-consciousness
- Simplicity
- Renew and improve
- Different with a meaning
- Give and take responsibility
- Lead by example

# About Ingka One brand, many companies

Today, IKEA is a franchise business, with many companies operating under one IKEA brand. Inter IKEA Systems B.V. is the franchisor, responsible for continuously developing the IKEA Concept and ensuring its implementation in new and existing markets.

## Ingka Group

Ingka Group, which IKEA UK is a part of, is the largest IKEA franchisee and represents about 90% of IKEA retail sales. Ingka Group operates 537 IKEA stores and other store formats in 31 countries, as well as IKEA ecommerce and digital solutions.

## Ownership structure

The Ingka Group of companies (Ingka Holding B.V. and its controlled entities) has an ownership structure that ensures independence and a long-term approach. Ingka Foundation in the Netherlands is the sole owner of Ingka Group. The Foundation does not have any owners; it owns itself. It also does not have any beneficial owners but holds its assets only on its own behalf. This means that nobody is entitled to the assets of Ingka Foundation. Its' funds can only be used in two ways: it can be reinvested in the Ingka Group or donated for charitable purposes through the IKEA Foundation.

## IKEA Foundation

IKEA Foundation is a philanthropic organisation that provides grants for programs that help families living in poverty afford a better everyday life, and fight and cope with climate change. It is funded by Ingka Foundation and is independent of the IKEA retail business. Generally, they have a budget of around €200 million each year.

## Ingka Group's three businesses

Ingka Group is made up of three businesses, working closely together:

**IKEA Retail** is the core business and continues to expand with new IKEA stores in different sizes and formats, fulfilment units and digital solutions. IKEA UK is part of this core business.

**Ingka Centres** is one of the world's largest shopping centre businesses, with vibrant meeting places across Europe and China. The first shopping centre in the UK operated by Ingka Centres opened in February 2022; Livat Hammersmith in West London has 33 shops and is closely connected to the IKEA Hammersmith store. Ingka Centres employs seven people in the UK.

**Ingka Investments** makes purpose-led investments and acquisitions to secure longterm financial independence and support growth and sustainability commitments. In the UK, Ingka Investment has purchased the 214 Oxford Street (Oxford Circus) building, to support the transformation of IKEA UK's retail business, bringing IKEA closer to customers by opening new IKEA store formats in city locations. They've also invested in a windfarm in North Scotland to produce clean energy for IKEA UK's operations.

## IKEA UK

IKEA UK runs the IKEA business, sales, and marketing of IKEA products and services in the UK, with a responsibility for the IKEA brand in the UK. We are a part of Ingka Group and operate and develop all IKEA stores, units and distribution centres in UK.



# Governance



**IKEA UK Country Board** is responsible for the formal conduct of IKEA UK. The Board has the formal approval right for investment requests within the set thresholds. It approves the IKEA UK business plan and the financial plan and frames. The board is also accountable for people, organisational and structural decisions.

**IKEA UK Retail Council** supports the retail home furnishing movements with growth, commercial, range and meeting the customer in focus. IKEA UK Retail Council recommends for approval in the IKEA UK Board the market business plan and market specific directions and goals.

**IKEA UK Management Team** lead and steer the business in the UK from a strategic, operational and performance perspective, short as well as long-term.

**Functional Managers** have delegated authority and accountability within their respective functional area of responsibility. When relevant they lead functional leadership teams.

**Area and Market Managers** have delegated authority and accountability

within their respective Area or Market. Market Managers lead the respective Market Management Teams.

**Business Committees and Councils** are cross-functional collaboration and decision-making bodies. They have a delegated mandate from the Management Team to develop, implement and follow up strategic, operational and tactical plans in order to meet goals set as part of the business plan and the long-term direction of the company.

**Market Councils** are collaboration forums between Functions and Market Management Teams. They follow up performance within a specific market and develop and implement strategic, operational and tactical plans in order to meet goals set as part of the business plan and the long-term direction of the specific market.

**Time limited Steering and Working Groups** are teams assigned to focus on specific business opportunities or challenges. The teams work on behalf of and report results to the relevant decision making body.

# Management Team



**Peter Jelkeby**  
Country CEO and Chief  
Sustainability Officer



**Constantinos  
Mourouzides**  
Chief Financial Officer



**Laura Vincente  
Cerqueira  
Fernandes**  
Country Commercial  
Manager



**Darren Taylor**  
Country People and  
Culture Manager



**Kym Bradbury**  
Country Communication  
Manager



**Youssef Zouhair**  
Country Customer  
Fulfilment Manager



**Martyn Allen**  
North Market Area  
Manager



**Jakob Bertilsson**  
London Market Area  
Manager



**Donna Moore**  
Country Digital Manager



**Salma Azad**  
South Market Area  
Manager



**Starr McLean**  
Assistant to Retail  
Management Team



# IKEA

