

# IKEA UK Annual Summary

FINANCIAL YEAR 2025

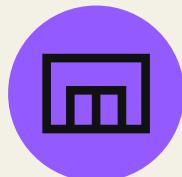


## Better Homes



**125,000**

customers completed a planning appointment



Flagship store opened on Oxford Street



**1.8 million**

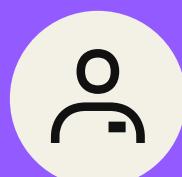
new IKEA Family members

## Better Lives



**Over £10 million**

invested in salaried and hourly wage rises



With new store openings, we proudly welcomed 677 new co-workers



Supported 46 young people on the Barnardo's JOBS project



## Better Planet



**517,970**

spare parts given to customers in the UK free of charge

**78.9%**

of our operational waste was recycled



**82%**

of our last-mile deliveries were completed by EVs



## Better Company



Retail sales totalled  
**£2.25 billion**



**43.2%**

of turnover from online sales



**127%**

increase in online assembly bookings



The IKEA UK Financial year 2025 runs from September 2024 to August 2025. '2025' in this report refers to this time period.

# Our UK Presence

 **20** Full-sized Stores

 **6** Small Stores

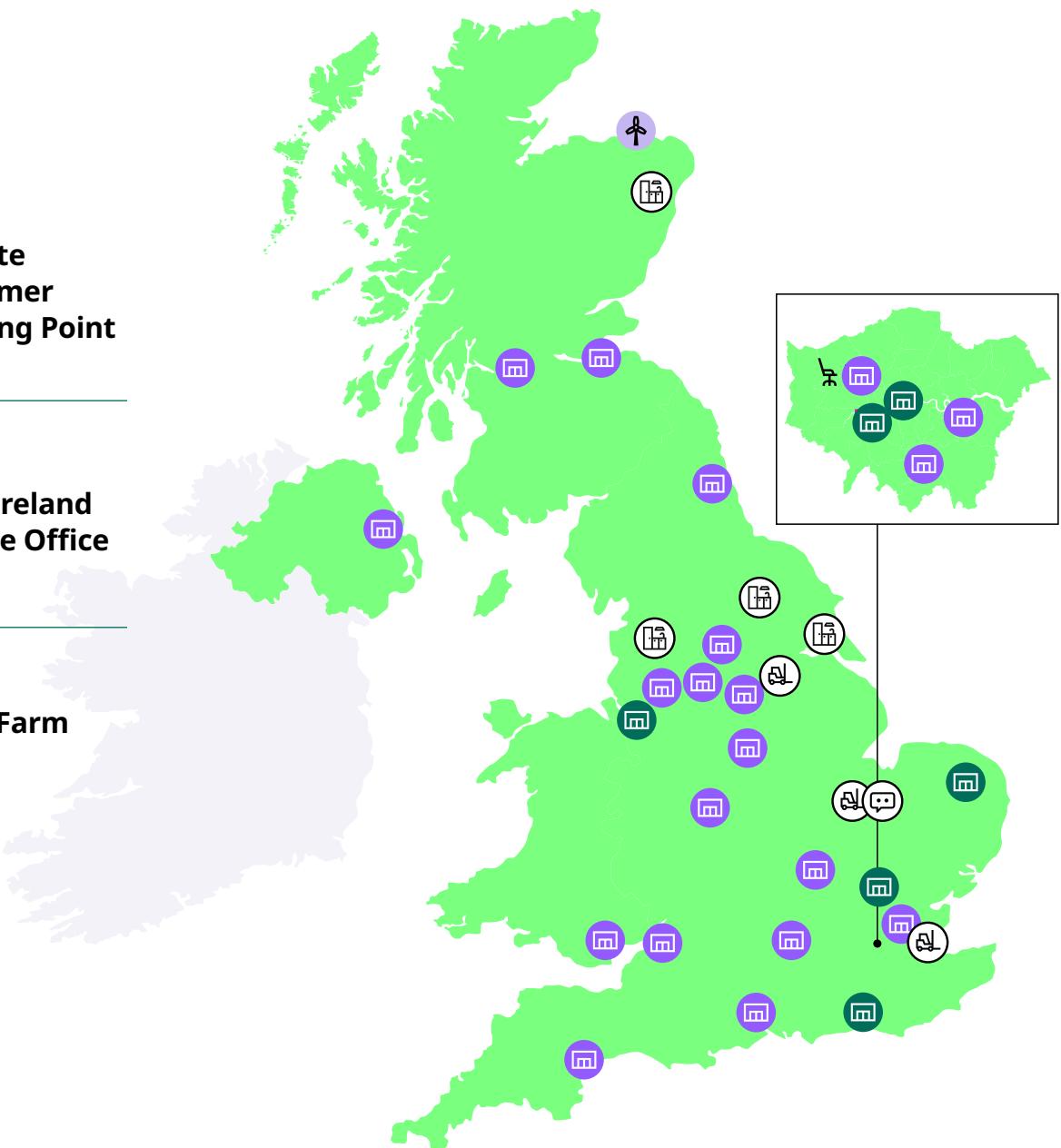
 **4** Plan and Order Points

 **3** Distribution Centres

 **1** Remote Customer Meeting Point

 **1** UK & Ireland Service Office

 **1** Wind Farm



# Reflections from our outgoing CEO



As I reflect on 2025, I am filled with pride for what we have achieved together in the UK. This year marks the end of my journey as CEO for IKEA in the UK and Ireland, as I take on a new chapter with IKEA Germany. Our shared commitment to creating a better everyday life for the many has never been stronger. We have built a solid foundation for the future, one rooted in sustainability, affordability, and accessibility, while continuing to meet the evolving needs of our customers and communities.

After a subdued start to the year due to a challenging retail market, we saw a clear strengthening as the months progressed. Driven by our three strategic pillars: Affordability, Accessibility and Sustainability, together with a strong focus on new range launches, kitchens and bedrooms, and several store openings, we saw momentum build over the year.

I am particularly proud that, in FY25, we opened two new City Stores on Oxford Street and in Brighton, two Plan & Order Points in Hull and York, and two small stores in Harlow and Norwich,

strengthening our brand position and presence in the UK market. This investment in the UK was achieved through the hard work and commitment from our teams across the whole business.

The IKEA UK team demonstrates fantastic resilience, with an engaged and entrepreneurial mindset, and a deep sense of purpose. With a strong generation of new leaders emerging, I am confident that IKEA UK is well placed to meet the challenges and seize the opportunities in the years ahead.

As a leading global retail market, the UK continues to set the pace in online sales, and FY25 was no exception. In 2019, online sales accounted for just 19% of our turnover – in FY25, that figure grew to 43%. Visitor numbers to our stores are also increasing, and our introduction of smaller central stores, additional collection points, and better delivery options makes IKEA more accessible to the many than ever before.

It has been a privilege to work in this dynamic retail market. After joining in

early 2019, my co-workers and I have met the significant challenges of the pandemic and recovery from it and acceleration of our transformation as a business. With highly engaged customers and guided by our values, we have developed new experiences and offerings that I believe are second to none. I leave with optimism for the future, guided by our strategic pillars, we continue to see strong traction both in store and online, demonstrating that we are successfully adapting to the evolving needs of the many.

While change is a natural part of any organisation's evolution, our purpose and values remain steadfast. Our Deputy CEO, Mostafa El Garaa, will now lead the UK business on an interim basis ensuring continuity and maintaining the strong momentum we have built together. I am confident that the future holds tremendous opportunity for IKEA in the UK, and I leave knowing that we are well-positioned to thrive in the years ahead.

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

# Continuing our journey



It is an honour to step into the role of Interim CEO at such a pivotal moment for IKEA UK. I would like to thank Peter for his exceptional leadership over the past six years and for the strong foundation he leaves behind. His commitment to our people, our customers and our values has shaped a more accessible, sustainable and affordable IKEA, one ready for the future.

As we move into the next chapter, my focus is on building on this momentum. Together with our talented teams across the country, we will continue delivering on our strategic pillars, strengthening our connection with customers, and ensuring that IKEA remains a trusted partner in creating a better everyday life for the many. I look forward to working with all our co-workers, partners and communities as we take these next steps together.

**Mostafa El Garaa, Interim CEO and Chief Sustainability Officer**



# Better Homes





## Where a house becomes a home

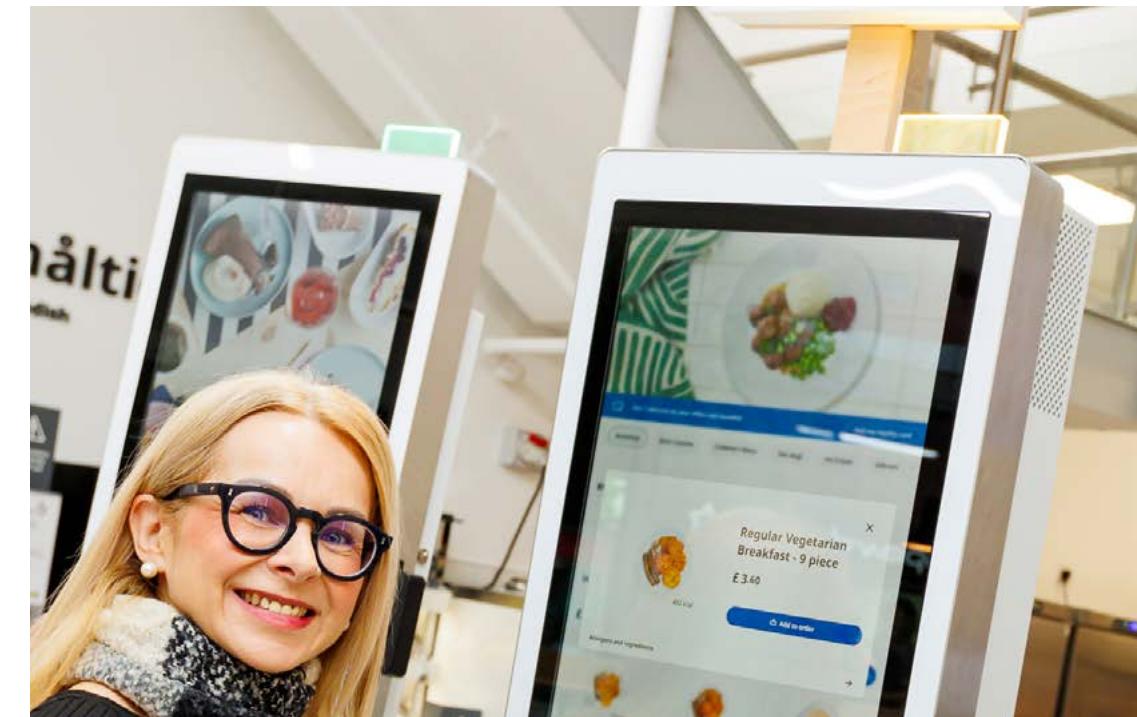
At IKEA, our vision is to create a better everyday life for the many people. We help our customers access affordable home furnishings that are part of a sustainable approach to life. In FY25, we made exciting advances, with new store types and locations, expanded collection and delivery options, launched beautiful new ranges, and delivered campaigns that connected with many more people.



## New stores that deliver more

In May 2025, we opened a new flagship store in a Grade II listed building on Oxford Street in London – one of the world's most iconic retail addresses. The store includes a 130-seat Swedish Deli and specially curated room-sets, created by Londoners, that reflect and celebrate the city's diversity. The store also features a Re-use and Re-shop area. Within six months of opening, we welcomed just over two million visitors and sold our millionth meatball.

In August, we opened our highly anticipated store in Brighton. Like Oxford Street, this store is designed to bring IKEA right into the heart of the places where people live and work. The new Brighton store, located in the Churchill Shopping Centre, spans 6,695 square metres of retail space across two storeys and is designed with the community at its heart, featuring five room-sets co-created with residents to reflect life at home in the city.



## Small, and perfectly formed

In FY25 we opened two Plan & Order Points in Hull and York. These smaller stores are dedicated to kitchen and bedroom planning and design. Two further small-format stores in Harlow and Norwich were opened during the year, with a third store opening in Chester at the start of FY26. These new, smaller retail park locations are designed to offer a simpler, faster shopping experience for our customers.

Excitingly, we also opened our first stand-alone restaurant on a UK high street in FY25. The IKEA Restaurant in Hammersmith can seat 75 diners and serves the dishes that are popular in our in-store restaurants, alongside a wider Swedish-influenced menu.



*“Fans of our delicious dishes can recharge during their shopping trip with our famous Swedish meatballs, pop in for a traditional Swedish ‘fika’ break for coffee and a sweet treat, or find an affordable meal for the kids right on the high street.”*

**Matthew Gould, Market Manager at IKEA London City**



### A faster route from our homes to yours

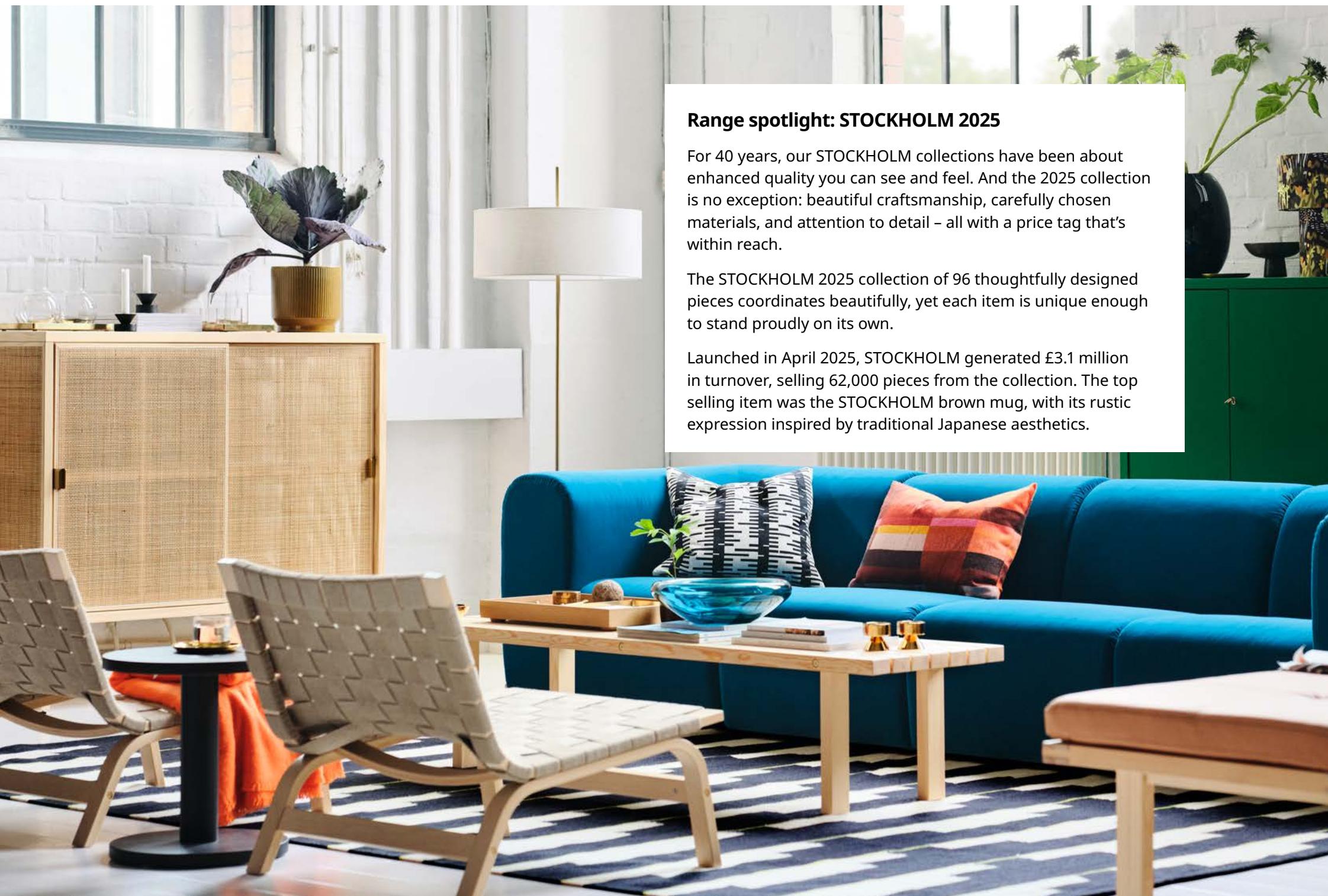
In FY24, we expanded the range of services we offer to customers to include delivery, collection, assembly, planning and installation.

All designed to make IKEA more accessible to many people, the popularity of IKEA services grew in FY25, increasing by 110%.

Over the year, we enhanced our click-and-collect offer, enabling customers to access free, same-day collections. Through our partnership with Tesco, we also expanded our network of mobile pick-up points and introduced more IKEA pick-up lockers, opening a total of 101 new collection locations nationwide.

Over 125,000 customers completed a planning appointment with an IKEA co-worker either in store or remotely. Measuring services also increased by 110% vs. the previous year, and installation services grew by 122%.

We added product assembly to our online booking service, which resulted in a 127% increase in bookings compared to FY24. IKEA partners with Taskrabbit for this service, connecting customers with a network of “Taskers” in locations around the UK.



## Range spotlight: STOCKHOLM 2025

For 40 years, our STOCKHOLM collections have been about enhanced quality you can see and feel. And the 2025 collection is no exception: beautiful craftsmanship, carefully chosen materials, and attention to detail – all with a price tag that's within reach.

The STOCKHOLM 2025 collection of 96 thoughtfully designed pieces coordinates beautifully, yet each item is unique enough to stand proudly on its own.

Launched in April 2025, STOCKHOLM generated £3.1 million in turnover, selling 62,000 pieces from the collection. The top selling item was the STOCKHOLM brown mug, with its rustic expression inspired by traditional Japanese aesthetics.

## Range spotlight: SKOGSDUVA

The SKOGSDUVA range is inspired by Swedish forests and brings playful items that are full of imagination and fantasy to children's homes, helping to "play it forward" when it comes to providing them with play essentials. In October 2024, IKEA partnered with the Baby Bank Alliance to launch the range. More than four million children in the UK are living in poverty, with referrals to baby banks up by 54% between 2021 and 2023. Our campaign saw IKEA donate £1 from each sale of the new IKEA SKOGSDUVA children's range to the Baby Bank Alliance, helping to provide families with essential items. This campaign ran until the end of 2024 and raised £132,333.





## A good night's sleep for the many

A key area of focus in FY25 was the bedroom, and the *Sleep Essentials* that can help everyone to have a good night's sleep.

The *Sleep Essential* that had the biggest connection with our customers was decluttering. Our biggest seller was the SPRUTTIG clothes hanger which sold over 1,093,847 pieces, up 36% on FY24.

Our relaunched Mattress Pad range had the fastest growing sales, with a 50% increase on the previous year. Our customers love the multipurpose nature of

this range, which fine tunes the comfort of the mattress, protects it, and makes it easier to change your bedding.

We also sold 20% more pillows in FY25, with our new lower price SKOGSFRÄKEN pillow selling 60% more pieces than the previous year.

We introduced our lowest priced double duvet cover, CYMBALBLOMMA, and it became our highest selling duvet cover of the year, with over 27,000 pieces sold.

## Pyjama Party

One of the standout events in FY25 was our Pyjama Party. It was inspired by the world record achievement of our friends in Älmhult and resulted in 12 months of activities and offers for our customers, designed to give everyone an affordable good night's sleep.

Workshops, treasure hunts, bedtime stories and a launch event to celebrate our SKOGSDUVA range, raising money for the Baby Bank Alliance, helped drive IKEA UK to be the fastest growing country for selling sleep-related products and fourth in the world for turnover, at £989 million.



## Growing our IKEA Family

In August 2024 we enhanced our existing IKEA Family membership by introducing a new IKEA Family rewards programme. Throughout FY25, we added 1.8 million new family members, and now have 10.5 million members across the UK.

As we look back on the first year of the IKEA Family Rewards proposition, we've seen close to 6 million members earn points. This was on both their purchases and also non-transactional engagement with our web or app, such as simply logging in to their account. More than 4% of all points we've issued have gone on to be redeemed, giving the redeeming customer their choice of a reward: food, services or simply money off their next spend. Redeeming £10 off a purchase is the most popular reward since launch, followed by a slice of Daim cake.





# Better Lives



## Everyone matters at IKEA

We believe in creating an environment where everyone is seen, heard and treated fairly. This applies to co-workers, customers and communities, and is reflected in our broad approach to creating a better everyday for the many people.

## Investing in our co-workers

We're proud of our People Plans, which support IKEA's Growth Plan with people-centric policies, including:

- fair pay
- flexible working opportunities
- career progression locally, nationally and internationally
- enhanced parental leave
- healthy meals, including hot meals for our overnight co-workers
- life assurance and interest-free loans
- virtual GP services and an increase in mental first aiders
- increased retirement benefits.

In 2025 we invested over £10 million to provide a 5% increase in base pay for hourly-paid co-workers and an average 4% uplift for salaried co-workers, enhancing their financial stability.

IKEA remains the largest accredited Living Wage Foundation retailer and we continue to implement the rate recommended by the Foundation. This saw our rate for co-workers increase to £13.85 in London, £13.25 in Outer London and £12.60 throughout the rest of the UK.

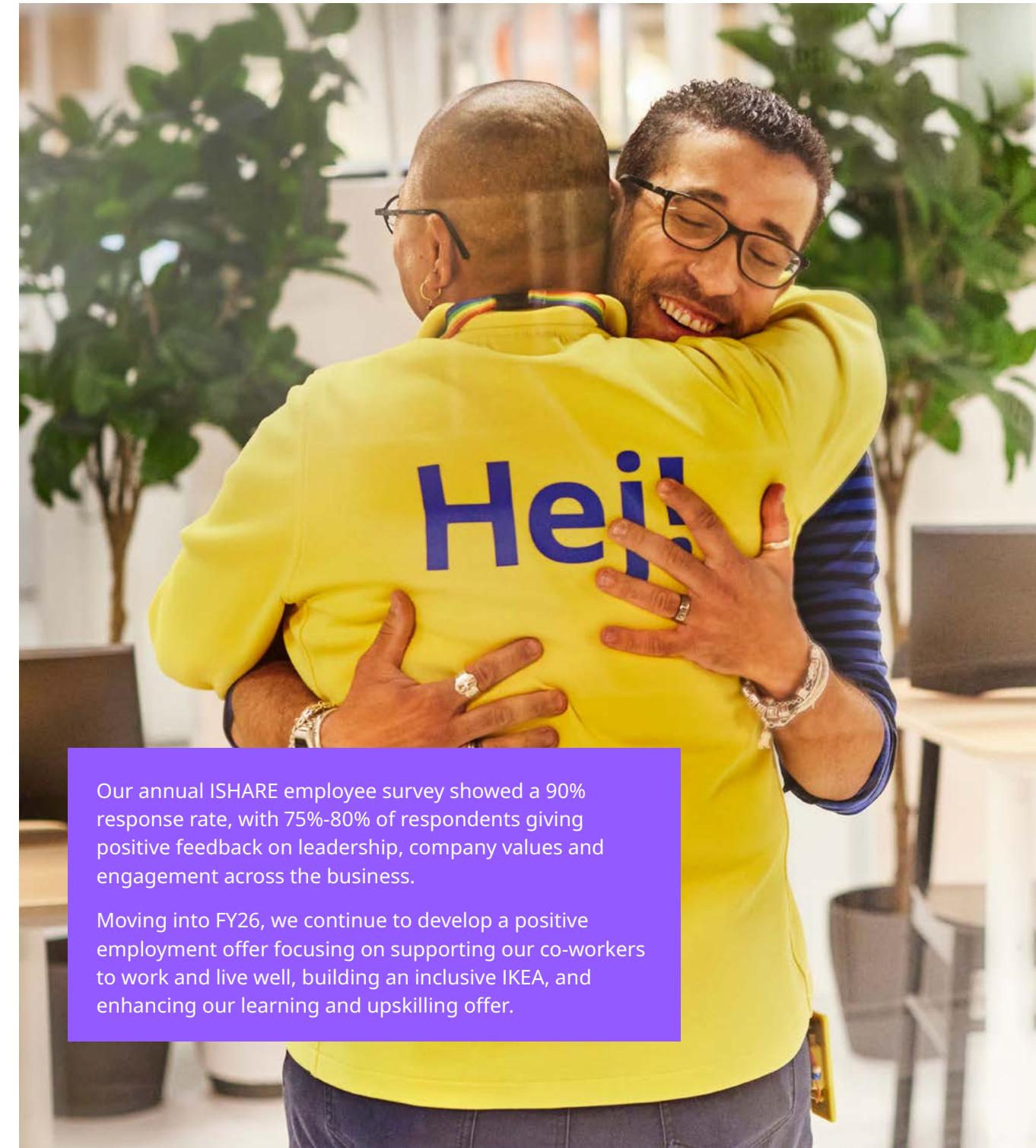


## A positive working environment

During FY25, we cemented our commitment to enhancing flexible working by introducing a toolkit for leaders to help them work with their co-workers to reach fair outcomes. Co-workers can request flexible working from day one of employment, including part-time, term-time, peak time and weekend-only contracts as well as job sharing, remote working and compressed hours. Our employment offer encourages people to tailor their working arrangements to suit their personal circumstances while ensuring we meet customer needs, and support business growth.

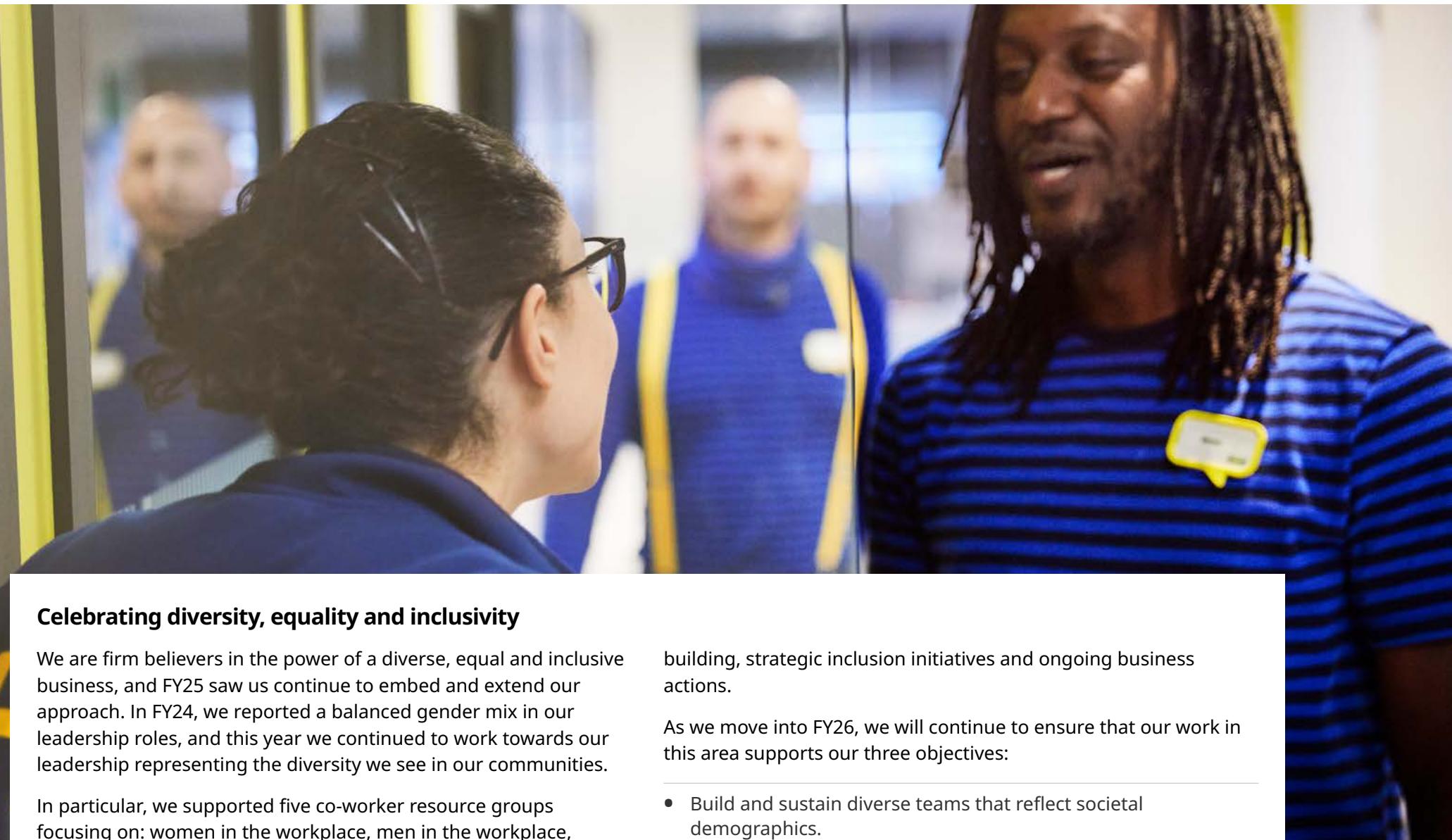
Our co-workers should feel safe, happy and healthy at work and outside work. We have relaunched our Health and Wellbeing strategy to support this, reframing our three-year action plan to achieve our vision of a healthy, sustainable and inclusive work environment. Progress in FY25 included an updated co-worker food offer, and mental first aiders in every unit. We now have 260 mental first aiders across 24 locations. We also introduced further family-friendly benefits such as Neonatal, Kinship and Carers' Leave and enhanced our existing Parental Leave policies.

Upskilling is an important part of our offer – we value our co-workers and want them to fulfil their potential within the business. This year, we have developed more opportunities for our co-workers to upskill and advance, with job profiles that describe the responsibilities, skills, and expectations of a role at each level, helping employees understand how they can grow and progress over time.



Our annual ISHARE employee survey showed a 90% response rate, with 75%-80% of respondents giving positive feedback on leadership, company values and engagement across the business.

Moving into FY26, we continue to develop a positive employment offer focusing on supporting our co-workers to work and live well, building an inclusive IKEA, and enhancing our learning and upskilling offer.



## Celebrating diversity, equality and inclusivity

We are firm believers in the power of a diverse, equal and inclusive business, and FY25 saw us continue to embed and extend our approach. In FY24, we reported a balanced gender mix in our leadership roles, and this year we continued to work towards our leadership representing the diversity we see in our communities.

In particular, we supported five co-worker resource groups focusing on: women in the workplace, men in the workplace, ethnicity and race, LGBTQ+, and disability in the workplace. We are proud that these groups have more than 500 members across the employee networks and that 50% of our Country Management Team support the groups as senior sponsors. Together, our co-workers in these groups influence community relationship

building, strategic inclusion initiatives and ongoing business actions.

As we move into FY26, we will continue to ensure that our work in this area supports our three objectives:

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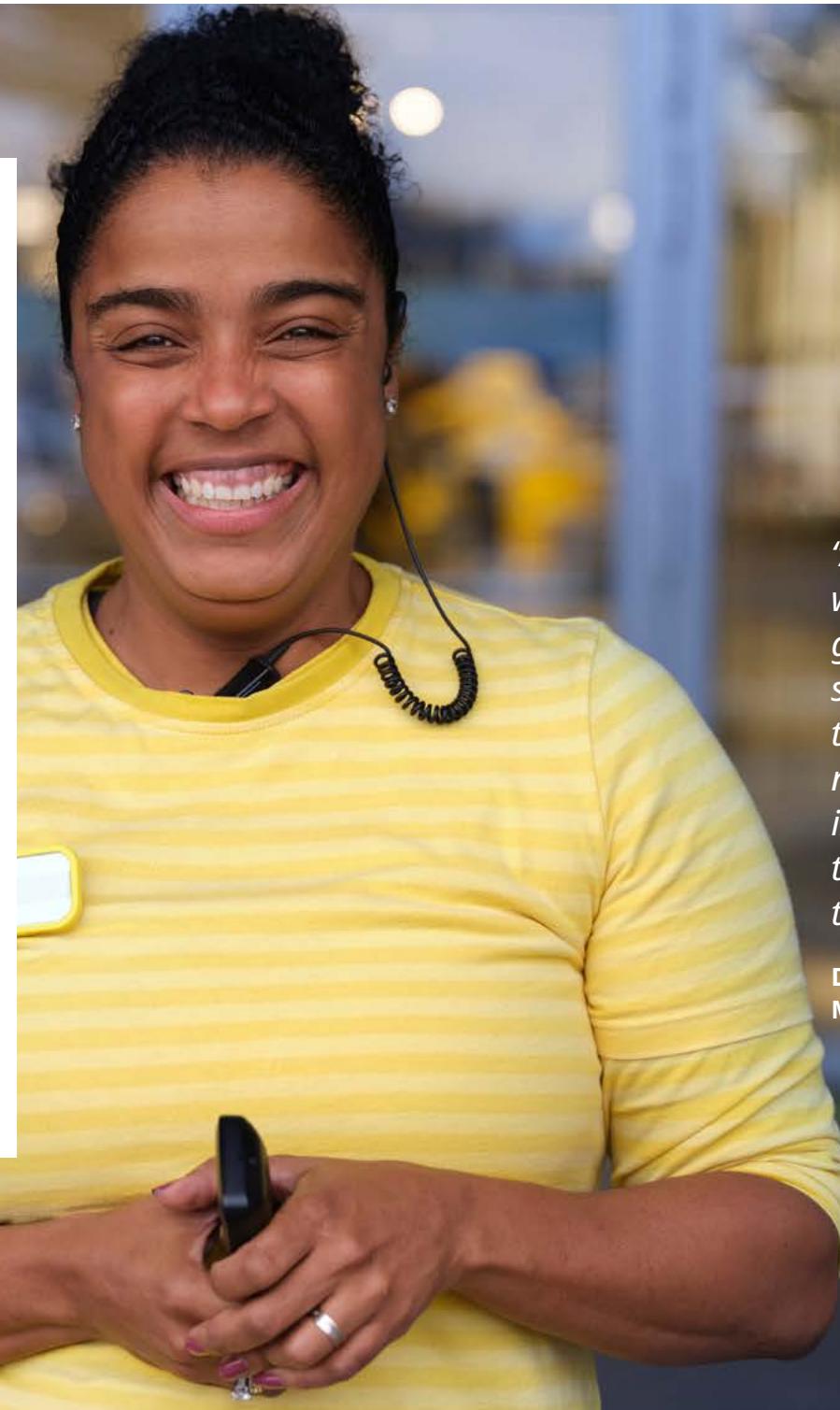
- Build and sustain diverse teams that reflect societal demographics.
- Create an inclusive IKEA where everyone can be their unique selves, grow and thrive.
- Introduce more people to the IKEA brand, our products and the value we represent.

## Our approach to recruitment

Opening several new units in the second half of FY25 meant recruiting 677 new co-workers very quickly. Our challenge was to support our new co-workers to understand the business, gain competence in their store format and develop their skills.

We have a strong employee brand in the market – evidenced by 10,000 applications in just 48 hours for our Oxford Street store, and 3,730 applicants for the Brighton store in five days. This is a result of actively engaging with local communities ahead of opening recruitment.

In FY26, we will ensure a balance of efficiency with a good co-worker experience, helping our people to navigate the change and challenges the business may face. We are committed to developing talent and retaining existing knowledge to support business growth. Our challenge to our leaders is to manage operational complexity without adding complexity to our co-workers' daily lives. In everything we do, we strive to work smarter and act with care, ensuring people remain our top priority.



*"At IKEA we believe in people and want to support our co-workers to grow, learn new skills and help us succeed, and we're making sure those opportunities exist. There's no reason why you can't start in-store in Warrington and move to an international opportunity in the years to come!"*

**Darren Taylor, Country, People & Culture Manager.**

## Our refugee employment programme

"UPPNÄ" is Swedish for "to achieve". Our long-standing programme in partnership with the Refugee Councils and Breaking Barriers across the UK builds on the benefits of meaningful employment. As Hamdi Ulukaya, Chairman and CEO of Chobani, and Founder of the Tent Partnership for Refugees says: "The minute a refugee gets a job is the minute they stop being a refugee."

Our work helps refugees to develop essential employability skills and find vital work experience so they can find employment. Our open-source employment toolkit is available to any business that wants to join us on this journey. In FY25, we supported 132 refugees in our local communities with retail and upskilling workshops, and 41 permanent jobs. To date, we have supported 450 refugees in our local communities with retail and upskilling workshops, and provided 253 placements.



*"The Refugee Council gave me training online ... after we finished all the training they came with us on interview days. I got a place to work at IKEA for eight weeks with the recovery team and I really enjoyed it. My team welcomed me very nicely and helped me a lot.*

*After eight weeks I started as a permanent part-time worker and I joined the sales department. Now I am studying and working. I would like to say thank you very much for giving me this chance."*

**Abdisa, Ethiopia.**



*"Before coming to the UK I was a news reporter in Afghanistan. But when I applied for jobs here I was rejected and I felt broken.*

*On the day of my IKEA interview I was very excited, and it was also my birthday. When I saw the email it was like the biggest and best gift.*

*My manager is very kind. I feel encouraged and safe, and I am proud of myself."*

**Meena, Afghanistan.**



## Better Neighbourhoods

We believe everyone deserves a place to call home, and helping make that possible for the many sits at the heart of our purpose. Our Better Neighbourhoods approach is a global framework that helps us build meaningful engagement in the places where IKEA is present, supporting our work with customers, co-workers, partners and local communities.

Building on this approach, we focus on long-term partnerships that are shaped by the needs and insights of our charity partners. By bringing the expertise of our co-workers, including home furnishing design, life-at-home knowledge and practical skills, we help create solutions that make a real and lasting impact.

We currently work with seven strategic charity partners across the UK, chosen to align with our three pillars: Safety, Opportunity and Belonging.

## Safety:

### Providing access to a safe home that feels like home, in every sense of the word

Since 2022, we have worked with [Shelter](#), the homelessness charity. We have funded front-line services and created Housing Navigator training for our co-workers enabling them to support people in precarious housing situations by helping them understand their rights and guiding them to trusted advice from [Shelter](#).

In FY25, we developed a joint campaign to highlight the realities of the housing emergency in England, called "The Unwelcome Home". This centred on a version of the popular IKEA FLISAT doll's house, where rooms were based upon people's real lived experience of living in temporary accommodation. Alongside the doll's house, which was unveiled in our Wembley, Manchester and Birmingham stores, IKEA and [Shelter](#) engaged the government directly, at the Labour Party Conference, and, later, delivered a room sized open letter signed by over 12,000 people, calling on the Child Poverty Taskforce to recommend the government invests in social housing. The doll's house remains on a tour of IKEA stores, and at selected events, continuing to represent the terrible conditions faced by many families who are homeless and stuck in poor quality temporary accommodation.

IKEA is also proud of its partnership with [National Emergencies Trust](#). Through our year-round support for their work in preparing for the next national emergency, we are confident that the Trust and its network of partners will be positioned to meet the immediate and long-term needs of the next community that might unfortunately face a flood, fire or terrorist attack.





## Opportunity:

**Empowering the many to reach their full potential, contributing to the home, the community and the wider economy.**

For the past seven years, we have had a strong partnership with Barnardo's, supporting young people leaving the care system: almost 4,000 young people have engaged with our [LifeLabs portal](#).

We've delivered Care Crates that are packed with the essential IKEA products to help care-experienced young people as they move into independent accommodation. Like the LifeLabs project, Care Crates are co-created with young people and focus on safety and sustainability.

We also used our co-workers' skills in home furnishing design and our product range to transform starter flats and resource centres for Barnardo's across the UK. We have also supported the charity with its [JOBS project](#), focusing on meaningful employment programmes for young people. During FY25, we supported 46 young people on the project, with nine of those now working at IKEA in permanent roles.

*"Before the JOBS Project I had been struggling for work, bored most days and didn't really feel a sense of purpose. On The JOBS Project I have come so far and I'm proud of myself. I've learnt a sense of communication skills, confidence skills and more sense of responsibility. I want to thank everyone for their care, support and consistency on this journey that has helped me give me that sense of purpose I needed."*

**Charlie, IKEA Croydon**

## Belonging:

### Creating a true sense of togetherness and trust in the community

Thanks to our involvement and support of The Royal Foundation's Homewards programme and its Centre for Early Childhood, we have established a partnership with the Baby Bank Alliance.

Baby Banks receive donations of essential items, both new and pre-loved, for babies and children and pass them on free of charge to families in need. With 4.3 million children growing up in poverty, these services are often a vital source of both baby and child essentials as well as providing a human connection and signposting for support to vulnerable families.

Alongside these national partnerships, every IKEA store across the UK is also empowered and encouraged to engage with local community projects. In FY25, our co-workers actively participated in the transformation of community centres, collected donations for their local baby banks and provided valuable assistance in home makeovers for people who are struggling to make a house a home. This local engagement underscores our commitment to making a positive impact at the grassroots level, fostering meaningful connections within the communities where we work.

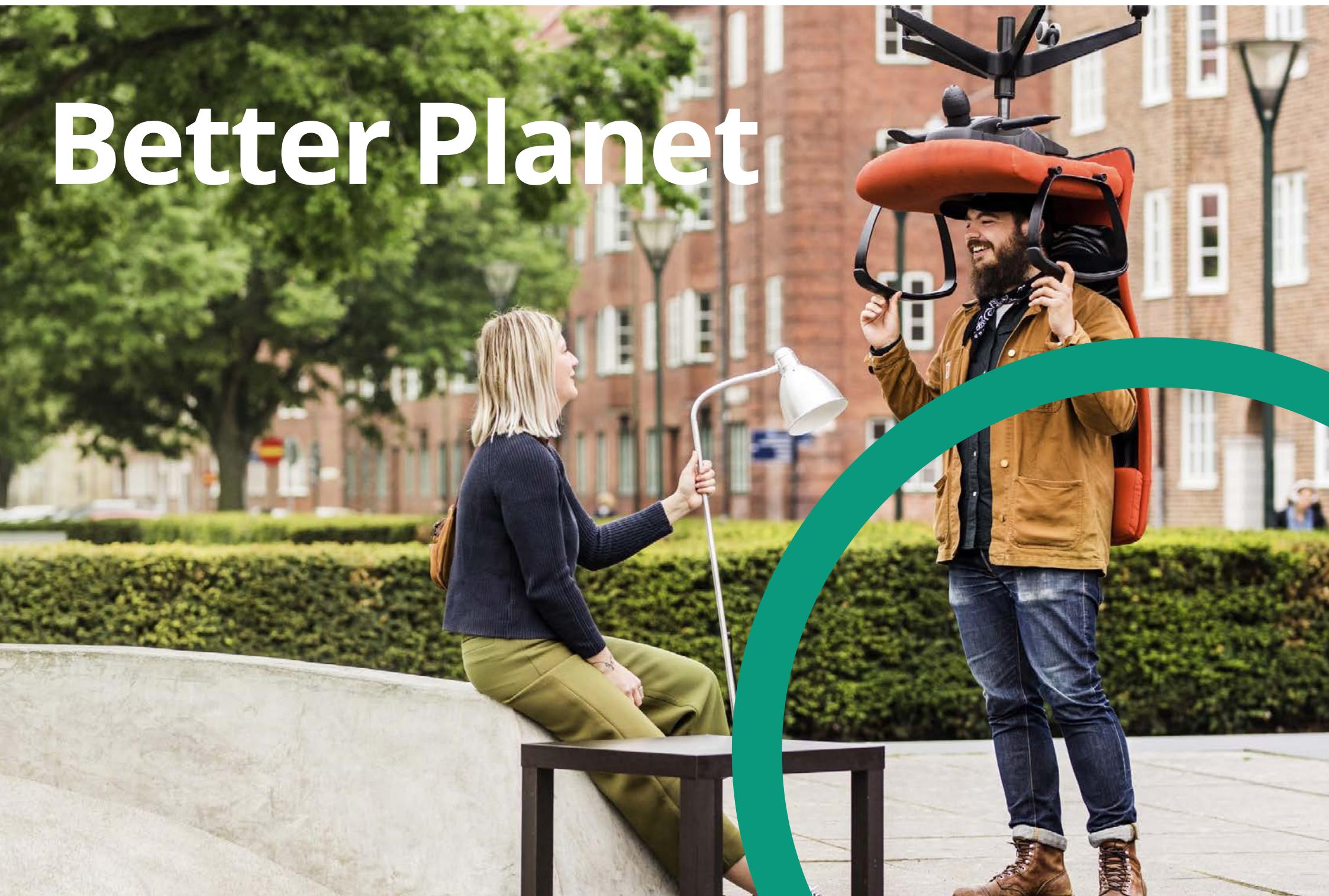


*"At IKEA, we believe every child deserves a safe and comfortable start in life. By working with baby banks like Baby Banks Exeter, we're able to support families facing hardship by providing essential items. This partnership is about more than just donations; it's about creating a lasting impact for families in our community."*

**Claire Snape, Loyalty Specialist, IKEA**



# Better Planet





## A positive impact for the many people

Contributing to creating a better planet for the many people – that's what drives IKEA. More sustainable choices and healthier living sit at the heart of this vision. In FY25 we made significant progress in the work to reduce our environmental impact and build circularity into the business. In particular, we focused on three areas, growing our electric vehicle network, improving facilities and recycling and Re-shop and Re-use.

## Driving electric vehicle use forward

Following an initial investment in FY23 and an accelerated rollout in FY24, we continued to invest in our electric vehicle (EV) fleet. In FY25, 82% of our last-mile deliveries were completed by EVs, compared to 65% in FY24, and in some areas, more than 90% of deliveries were made via EVs.

Our work on EV adoption has been achieved by a clear strategy, designed and implemented by our dedicated team and our partners and in FY25, the UK was the leading market in the Ingka Group for volume of EV deliveries.

For FY26, we will continue our mission towards achieving over 90% EV deliveries by:

- investing in expanding our fleet of EV trucks and vans
- rolling out a network and partnership approach to on-road charging
- creating more charging infrastructure for units in target geographical areas
- upgrading existing charging infrastructure to ensure we have the latest charging technology
- continuing our strong partnership approach with our transport service partners.



## Building towards our recycling goal

We strive for zero waste and to recycle as much as possible. Our Zero Waste Working Group is part of our circular ambitions in our operations, reducing our impact year on year. In FY25 we recycled 78.9% of our operational waste.

Through Ingka Investments – the investment arm of Ingka Group, the largest IKEA retailer – we are investing in companies at the forefront of recycling innovation such as The Furniture Recycling (TFR) Group which recycle mattresses that would otherwise go to waste. In January 2025, Ingka announced that it was aiming to invest €1bn globally in targeted businesses.



*"When a product's life at home ends, Circular Investments begins. Ingka Investments is committed to transitioning towards a circular economy and retaining the value of materials. For us, that means investing in companies that are developing technology or growing capacity to prevent waste or supply recycled materials."*

**Lukas Visser, Circular Investments  
Portfolio Manager, Ingka Investments**



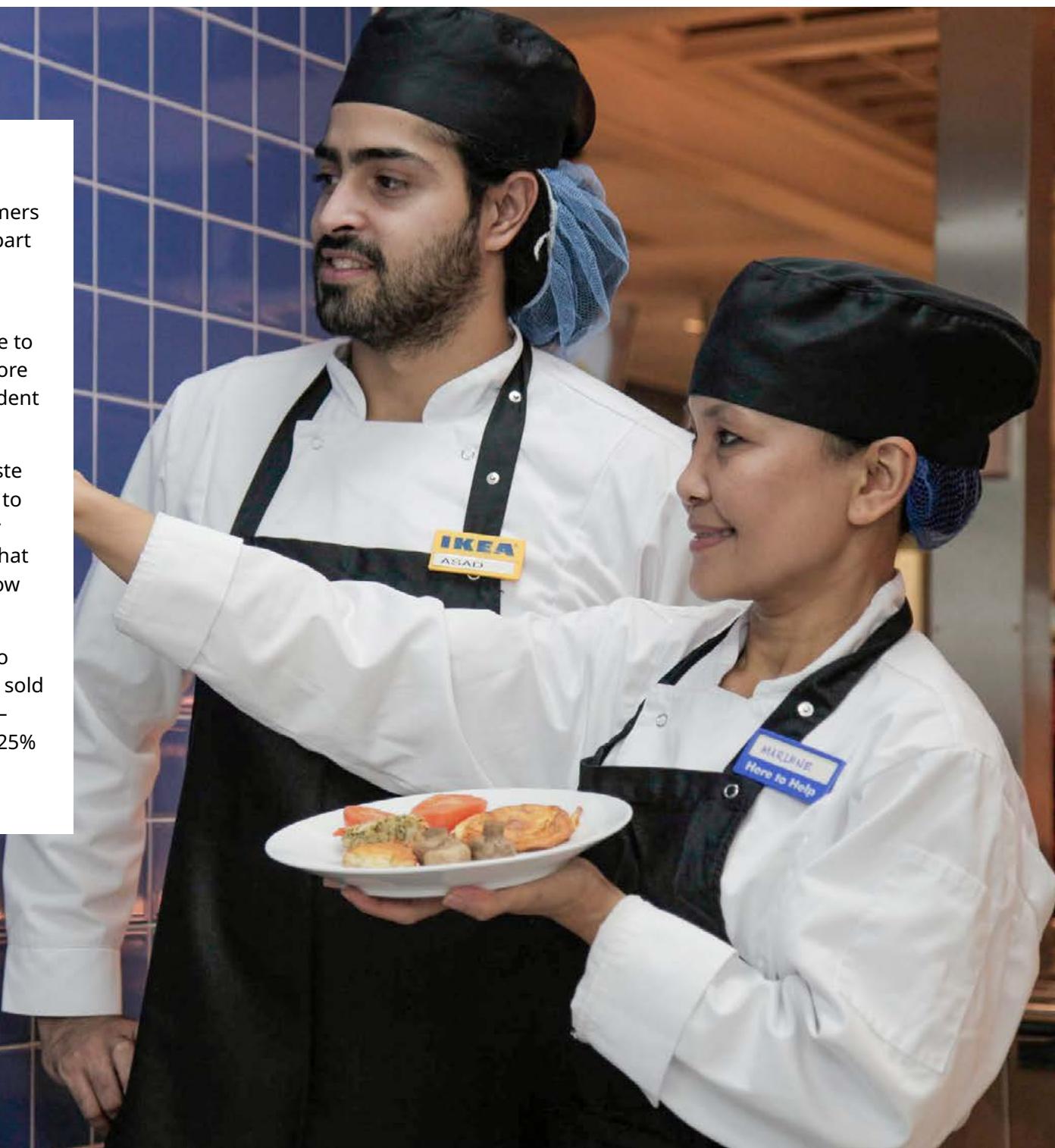
## Food for thought

Our fantastic food range is one of the reasons customers love IKEA. So, managing food waste is an important part of reducing our impact on the planet.

In FY25 our food waste reduction was 65.54%, a very slight decrease on FY24, which was 66%. This was due to a 0.35mg decrease in the baseline because of new store openings in the second half of the year. We are confident that we will achieve further reductions in FY26.

We continue to explore ways we can reduce food waste further and are piloting a global tool which allows us to track post-consumer waste during FY26 in one of our units. The results of this pilot will give insights into what are the key reasons for leftovers and the need to throw them away.

We also continue to develop our plant-based meals to help reduce our environmental impact. In the UK, we sold 755,327 Plantball meals – 100,000 more than in FY24 – and 790,782 plant-rich dishes, which represented 28.25% of all hot dishes sold in FY25. In our Bistro hot snacks offer, 19.72% of sales were plant rich.





In FY25, we gave

# 517,970 parts

to customers online and in store  
free of charge.

## Increasing affordability with Re-shop and Re-use

Our purpose is to create a better life for the many people. As budgets continue to be squeezed, it has become even more important to make sure we offer good quality home furnishings at prices that people can afford, and we enable products to have a second and potentially, third life. Our Re-shop and Re-use offer significantly lowers the entry point for customers, and this is thriving, particularly with attractive second-hand room sets, helping us to grow our circular services.

In FY25, we sold 3.3 million items in the UK, generating revenue of £21.1 million. Of this, £1.6 million was generated online, with 53,000 items sold, compared to 21,000 in FY24. This year, we also introduced an "Always on offer" category on Buy-back and Re-sell for IKEA Family customers. 546,000 items were rewrapped and put back into stock.

In FY26, we will continue to grow the Buy-back and Re-sell services through home furnishing accessories and continue to make our business-to-business service and Buy-back more accessible to our customers. Our Re-shop and Re-use online services will be a focus point, helping to drive increased store visits.

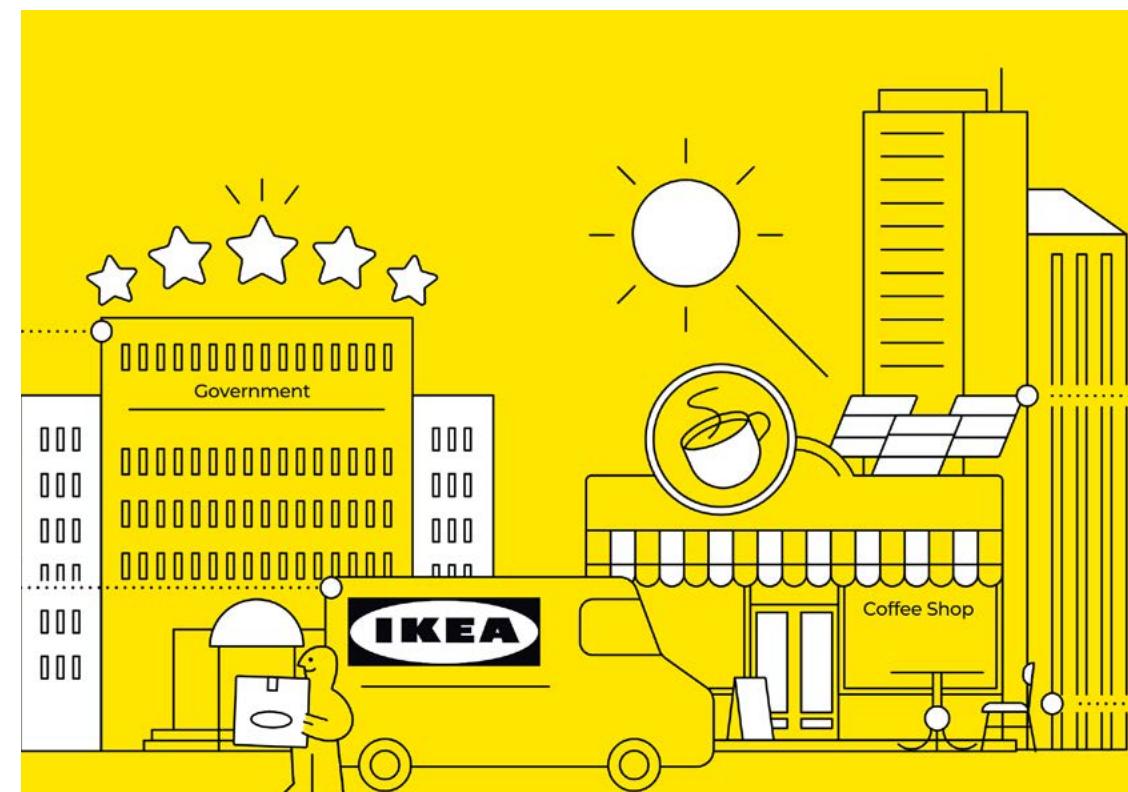
Spare parts are a critical part of our customer service approach, where easy access to spare or missing parts prevents products from going to waste. We also use spare parts in our own operation to repackage items and put them back into stock. Our sales teams use the spare parts for our showroom displays for example, when an item has a scratched top, we use the spare parts library rather than build a completely new item.

## The power of renewable energy

We continue to invest in moving away from gas and towards renewable energy sources for both heating and cooling. In FY25 all our newly opened stores were fitted with air source heat pumps. A programme to retrofit existing stores is in place for FY26-FY30, installing both ground and air source heat pumps. Our aim is to drastically increase renewable heating and cooling by 2030. This is the right thing to do, and our financial and time investment in this area reflects our determination to power our business from renewable sources and significantly reduce our operational environmental impact.

In FY25, 100% of the electricity we used in our stores, offices and distribution centres was from renewable sources.

Our work to connect smart meters in 24 stores to our global monitoring platform, which enables shared learnings and further improvements worldwide, will continue in FY26.



## IKEA and the SME Climate Hub

As part of the United Nations Race to Zero campaign, Ingka Group has committed to supporting small and medium businesses (SMEs) within its business network to take climate action and lower their carbon emissions.

Working with its partner, the We Mean Business Coalition, Ingka Group will mobilise, promote and engage with its business-to-business network, encouraging members to become signatories of the [SME Climate Hub](#). The Hub allows SMEs to access free tools, knowledge and solutions to lower their carbon footprint. In FY25 the UK was a test market for the development of the Overview Effect – an agency supporting the SME Climate Hub – to implement content and build a dedicated new customer journey on our website.

# Better Company





## Investing in a better future

IKEA's mission is to offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible can afford them. This is long-term work that requires sustained investment across our three strategic pillars: Affordability, Accessibility and Sustainability.

In FY24, our primary focus was on affordability, with an investment of £117 million in lowering prices for our customers. This reinforced our commitment to supporting households during a challenging economic environment, while maintaining a stable and resilient business.

Building on this in FY25, we made significant progress in strengthening accessibility for the many people. This included opening new stores, expanding our collection points and further improving our online experience. Looking ahead, we will continue to invest in accessibility alongside our ongoing focus on sustainability, through initiatives such as the transition to electric vehicles and greater use of renewable heating and cooling solutions, as well as continued investment in our people and the communities in which we operate.

# Financial Performance

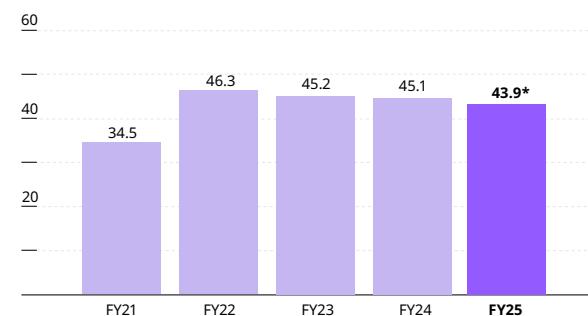
## Total sales in the UK FY25

Turnover in billion Pounds



## Store visits FY25

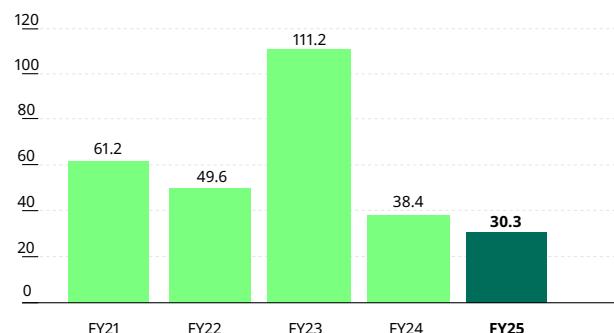
Number of visitors in million



\*Our store visits data was compiled using a Real Time Visitor Counter (RTVC) which we transitioned to in FY25. The figures may not be comparable with previous years.

## Operating profit FY25

Operating profit in million Pounds



## Online transactions FY25



# 5.6 million

(+ 7.5% vs FY24)

## Online sales



# +1.4%

+1.4% vs FY24

## Sales volume

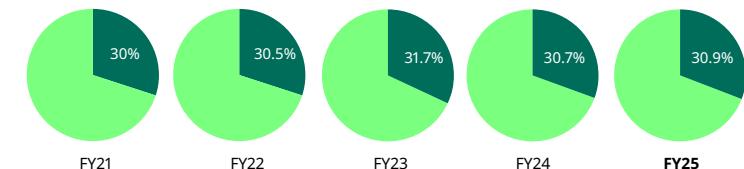


# +4.4%

vs FY24

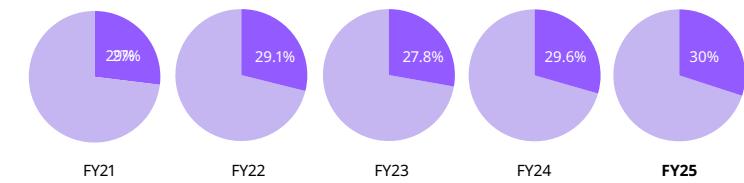
## Gross margin FY25

**30.9%**



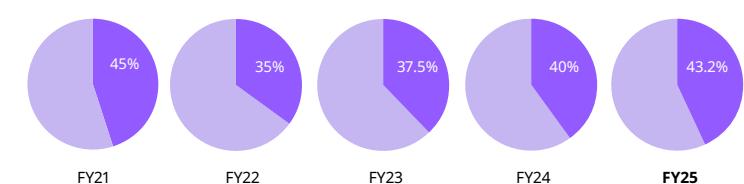
## Operating cost ratio FY25

Operating costs percentage of total sales



## Online share FY25

**43.2%**





## Focus on long-term growth

Retail sales for FY25 totalled £2.25 billion (FY24: £2.30 billion), representing a strong outcome in the context of an exceptionally challenging retail environment. While sales value declined by 2.3% year-on-year, sales volumes increased by 4.4%, reflecting a positive customer response to our investment in lower prices in FY24.

Sales were subdued in the first half of the year, reflecting ongoing market pressures as well as the impact of our significant price investments made in the second half of FY24. Encouragingly, performance strengthened in the final quarter of FY25, with sales increasing by 3% year-on-year. This positive momentum has continued to build in the first quarter of FY26, indicating a strong and improving return on our investments in affordability and accessibility.



*"Throughout FY25, we remained firmly committed to investing in the UK market, strengthening our accessibility, affordability and sustainability agenda for the many people. At the same time, disciplined cost management has ensured IKEA UK remains a stable and resilient business, creating long-term growth and value for our customers, co-workers and communities."*

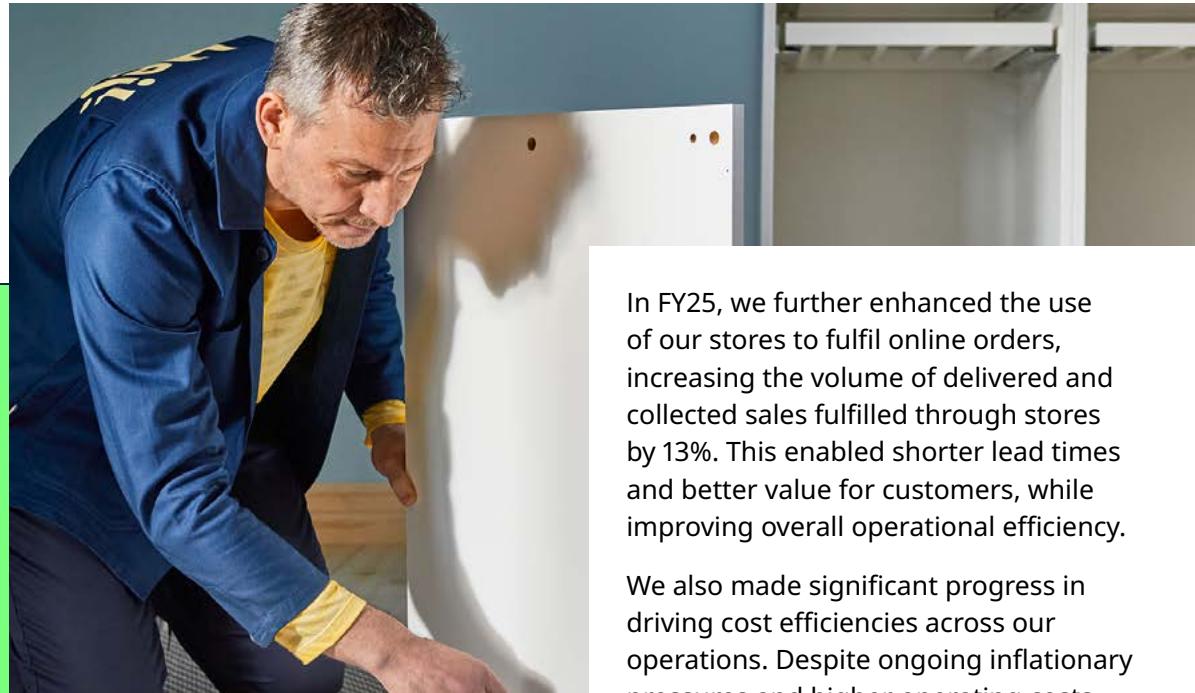
**Constantinos Mourouzides, Chief Financial Officer**

## Cost discipline and operational efficiency

Cost consciousness is one of our core values and a fundamental part of our DNA as a business. To support our continued investments in Affordability, Accessibility and Sustainability, we maintain a strong focus on keeping costs low through disciplined and proactive cost management.

Our efforts are centred on three key areas:

- Optimising the use of our assets by ensuring every square metre delivers value
- Driving operational efficiencies by removing non-value adding activities and costs
- Reducing external spend by identifying cost saving opportunities with both existing and new suppliers



In FY25, we further enhanced the use of our stores to fulfil online orders, increasing the volume of delivered and collected sales fulfilled through stores by 13%. This enabled shorter lead times and better value for customers, while improving overall operational efficiency.

We also made significant progress in driving cost efficiencies across our operations. Despite ongoing inflationary pressures and higher operating costs associated with new store openings, we maintained a cost to sales ratio of 30% in FY25. This reflects the strength of our cost discipline and the effectiveness of our efficiency measures.

Digitalisation plays a central role in improving efficiency and enabling our co-workers to deliver a better customer experience. During FY25, we significantly increased the number of self-checkouts and expanded digital ordering points in our stores, creating a better shopping experience for our customers and improving the efficiency of our operations.



## Reinvesting for sustainable growth

Our people make our business. Ensuring better lives for our co-workers is one of our principal areas of investment. We pay fairly, offer enhanced benefits, invest in upskilling and ensure that we retain the best people in all areas of the business. It's thanks to our entire workforce that our customers have such great experiences in store and online, benefitting from the accessibility, affordability and sustainability that drives us all.

And, of course our profits are only used in two ways. The majority of our profits are reinvested in the business. That's how we continue to offer a better everyday life for the many people and a portion of our profits are also shared with the INGKA Foundation, which supports the [IKEA Foundation's](#) vital charitable work.





# 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.

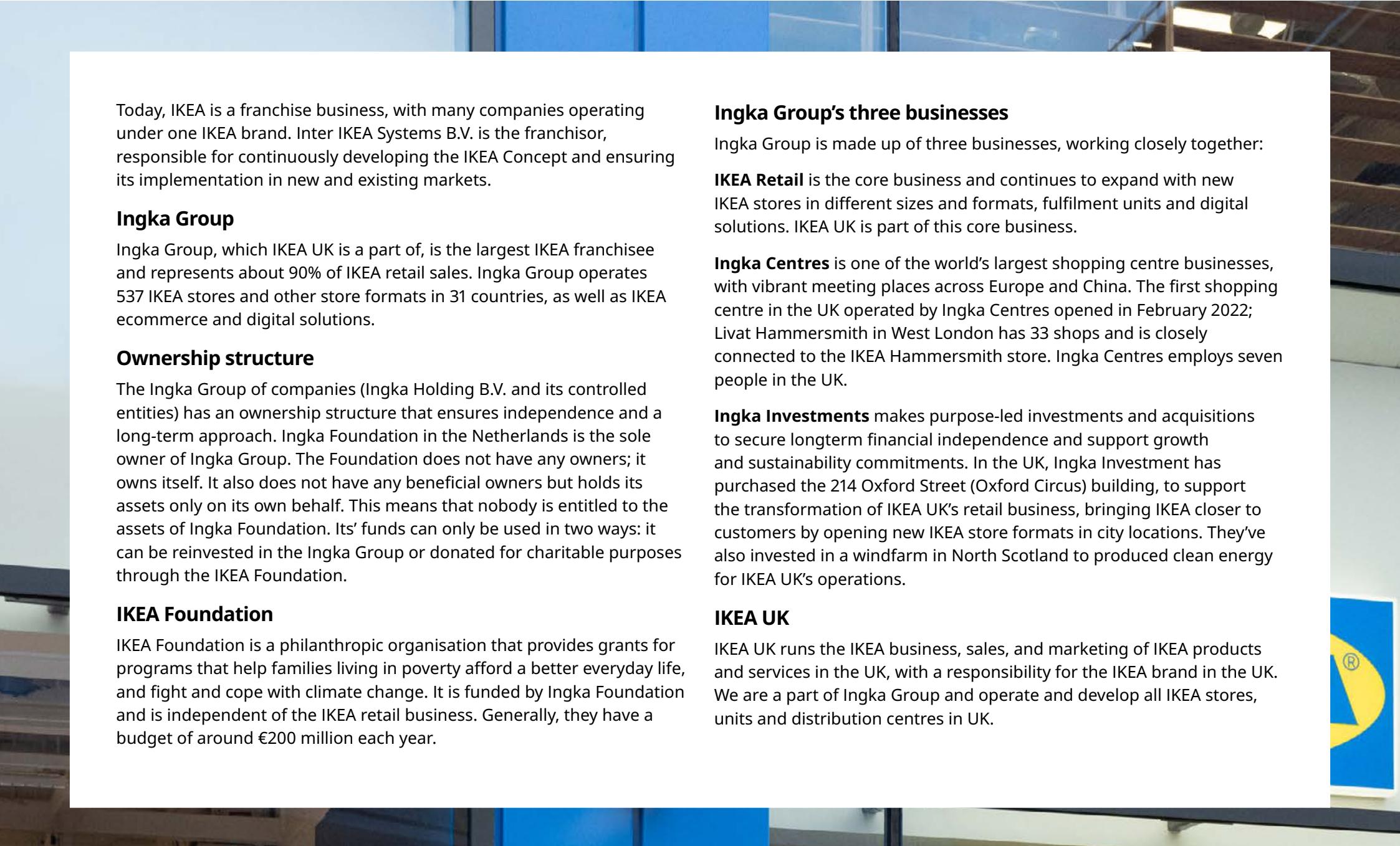
## Our culture and values

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 produced 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

**Mostafa El Garaa**

Interim 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 Communications Manager

**Youssef Zouhair**

Country Customer Fulfilment Manager

**Donna Moore**

Country Digital Manager

**Martyn Allen**

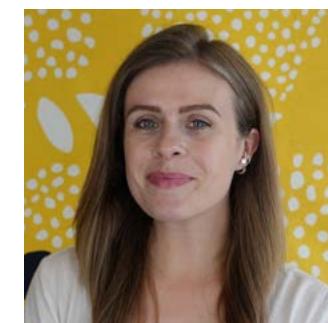
Market Area Manager

**Jakob Bertilsson**

Market Area Manager

**Salma Azad**

Market Area Manager

**Starr McLean**

Assistant to Retail Management Team



IKEA®