

IKEA IRELAND ANNUAL SUMMARY

Our journey towards a more
affordable, convenient and people
and planet positive IKEA



FINANCIAL YEAR 2019

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"As we celebrate ten years of IKEA in Ireland we continue to grow and evolve our product range and make our business more people and planet positive. The coming year will see us create even better experiences in our existing stores and on digital platforms, with a greater focus on experience and inspiration to create a new IKEA by 2021."

Peter Jelkeby, Country Retail Manager,
IKEA UK and Ireland

IKEA
Home furnishings

OUR BUSINESS

IKEA is a business that has always looked to the long-term in all aspects of what we do. We are in the midst of the biggest transformation in our history to bring a greater focus on affordability, convenience and being people and planet positive so we can create a new IKEA by 2021. In Financial Year 2019 (FY19) - our tenth anniversary in Ireland - we invested in stores, fulfilment centres and digital capabilities to secure our future and benefit both customers and co-workers.

Our 2019 results

During the last financial year we celebrated ten hugely successful years of IKEA in Ireland, having welcomed more than 30m people through our doors. We achieved a 12% increase on last year's sales and significant online growth. We also made investments to improve the experience and service for our customers and maintain our position as Ireland's market leading retailer in home products.

€203m

sales (€181.5m in FY18)

+12%

growth on last year
(+7.4% in FY18)

11.9%

market share in Ireland
(8.7% in FY18)

+86%

increase in online sales

Enhancing our online offering

The development of IKEA's online shopping experience in Ireland has proved to be a huge growth factor, allowing our products to become more accessible to people across the country.

18m

visits to IKEA.com/ie
(17m visits in FY18)

Online

represents 16% of total
sales (9.5% in FY18)

Our tenth year in Ireland

2019 was the tenth anniversary of our flagship store opening in Dublin. The store has become a much-loved destination and one of the most successful IKEA stores in the world; over three quarters of the population have visited since it opened¹.

Over

30m

visits to the Dublin
store since its 2009
opening

+3%

increase in store
visitation compared
to FY18

Our tax contribution

The corporate income tax for IKEA Group in Ireland amounted to €6.8 million over the last five years. Property and other taxes amounted to €14.1 million during the same period.

¹ Research conducted by iReach Research Group on behalf of IKEA Ireland, June 2019

OUR SOCIAL AND ENVIRONMENTAL IMPACT

2019 was the first year for our People and Planet Positive transformation. Our Country Retail Manager took on the joint role of Chief Sustainability Officer, we invested more in generating renewable energy, cut down on single-use plastic in our stores and adjusted our supply model to introduce more reusable and recyclable materials.

First steps towards full circularity

Our bold ambition is to develop a fully circular business by 2030 that uses less of the Earth's resources and ultimately gives back more than we take. Embarking on this journey, our parent company, Ingka Group has invested close to €2.5 billion in onsite and offsite wind and solar power. These investments enable our business to generate more renewable energy than it consumes across all operations in 30 countries, exceeding our 2020 target.

Cutting back on waste

To become fully circular, we must rethink the term "waste" and shine a spotlight on how we use resources across our entire business, as well as hardwiring sustainability into product design. This year, we eradicated single-use plastic straws from our restaurants and improved our packaging so 98% is now renewable, recyclable or recycled. We're also tackling textile and furniture disposal so our products can live many lives through reuse and repair.

By 2020, we aim to be

100%

single-use plastic free and will replace all virgin polyester textile projects with recycled polyester.



"To truly make every aspect of the IKEA journey more people and planet positive, and reach our global ambition of enabling more than 1 billion people to live a better everyday life within the limits of the planet, every co-worker will need to be entrepreneurial and have a problem-solving mentality. This is the next step on our journey."

Hege Sæbjørnsen, Country Sustainability Manager, IKEA UK and Ireland

OUR PEOPLE

As the transformation of IKEA continues, we are rethinking every area of our business to become more affordable, convenient and people and planet positive. We recognise that each individual co-worker has a role to play in contributing to the future of IKEA – it is only through engaging co-workers that we can achieve these goals. In the face of great change, we've worked hard to create an inclusive, supportive culture that nurtures and develops talent, regardless of gender, age, ability, ethnicity, belief or sexual orientation and gender identity, so that all our 693 co-workers in Ireland can be themselves and make a difference.

Working towards gender equality

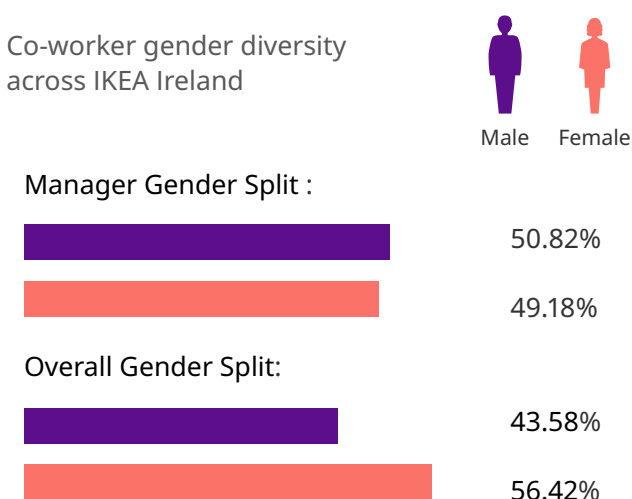
We are passionate about creating an inclusive culture, recognising the unique contributions of each individual. In fact we see it as crucial to the future of our business. And so we are working towards closing our gender pay gap and achieving an equal split of men and women at every level, in every part of the business through our Gender Equality Plan. It is integrated within our business plans and HR practices, shaping our approach to employee benefits, recruitment, succession planning, and learning and development.

Championing diversity

Our support for International Day Against Homophobia, Biphobia and Transphobia (IDAHOBT) was an important way of showing how much we value diversity within our business and the wider retail industry. Our Dublin store took the opportunity to raise funds for Gay Switchboard Ireland, which provide confidential support to members of the LGBT+ community and their families, by holding a bake sale.

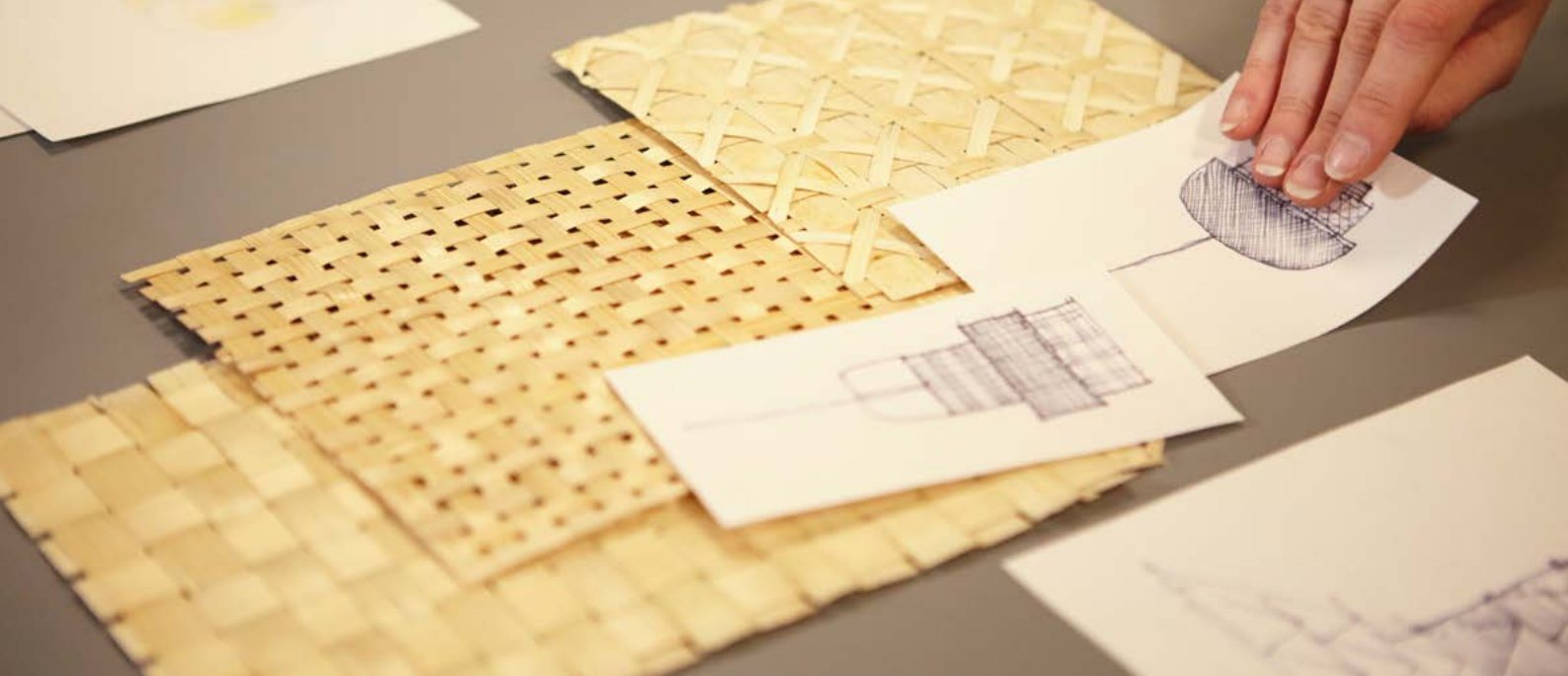
Ultimately, if our people are comfortable being themselves in the business, they will perform well, work collaboratively and make a difference in their local communities.

Co-worker gender diversity across IKEA Ireland



"Promoting equality and inclusion is not only the right thing to do, it also supports our business transformation. Diverse and inclusive teams are more creative and innovative, benefitting from a wide range of viewpoints and experiences, and the unique contribution of each co-worker."

Carin Hammer Blakebrough, Country People & Culture Manager, IKEA UK & Ireland



AT HOME WITH OUR PRODUCTS

IKEA is embedded in the homes of people across Ireland; 65%¹ of adults from across the country have at least one IKEA product in their home. We continually conduct research and home visits within Ireland to make sure we remain relevant, accessible and affordable to everyone.

150

home visits to learn about and understand contemporary home life

86%

of homes in Dublin contain at least one IKEA product²

TRENDS SNAPSHOT

Parents go gender-neutral in nurseries

As Ireland continues to experience a baby boom, families are increasingly turning to IKEA for affordable, stylish basics for their babies' and kids' rooms; 70% of parents in Ireland have IKEA products in their home. Steering clear of traditional blue and pink colour schemes, they instead opt for white and grey for the basics, and introduce multi-coloured accessories to inspire their little ones.

In FY19 we saw increased sales of:

- Cots +8%
- Textiles for babies +13%
- Changing Tables +24%



Stranger Things in our homes

As the third series of cult TV show *Stranger Things* hit our screens in July, the nation took a nostalgic trip back to the eighties, with significant boosts in searches on our website for "80s bedroom" and "80s style".

Searches peaked for eighties trends in July:

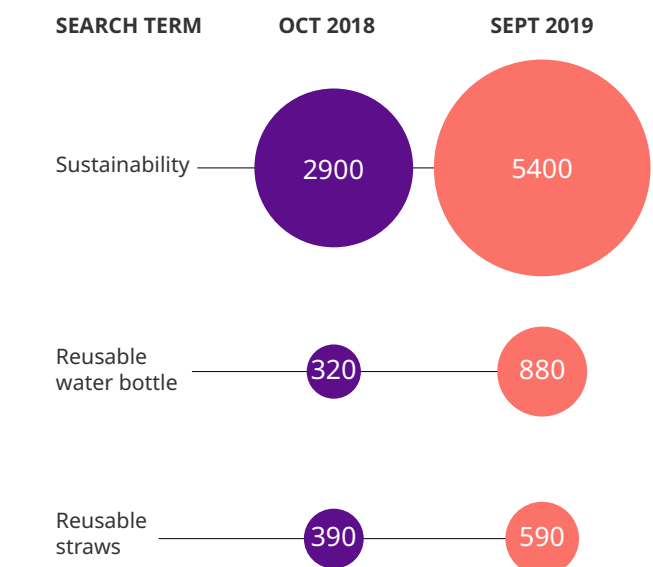
- 80s bedroom +300%
- 80s design +33%
- 80s style +84%



A more sustainable everyday

This year, customers' appetite for products that save energy and water and cut down on waste spiked. Using the most sustainable materials is important to us. For instance, bamboo is now one of our best selling materials as people become more attuned with its eco-credentials.

Increases in searches relating to sustainable living seen on IKEA Ireland website:



MAKE YOUR CAKE

