

# Inter IKEA Group Financial Summary FY25

Inter IKEA Group



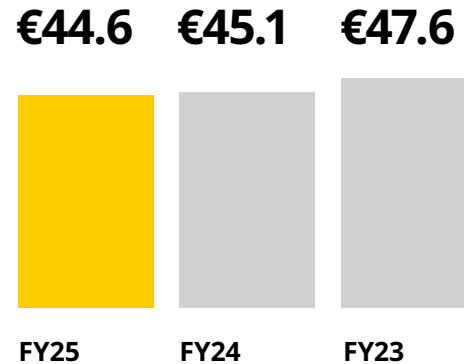
# Introduction

This document is a summary and brief overview of Inter IKEA Group's financial performance for financial year 2025 (FY25). This is the period from 1 September 2024 to 31 August 2025. The summary begins with the retail sales performance of our franchisees since the Inter IKEA Group's overall financial performance is closely connected to this.

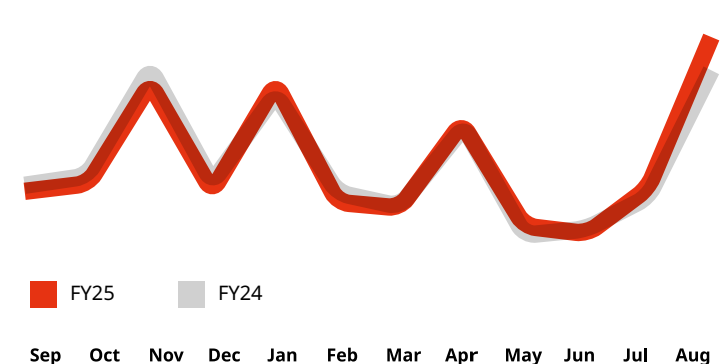
Total IKEA sales for FY25 were EUR 44.6 billion (EUR 45.1 billion in FY24). This includes sales of IKEA products, food and services to customers by the 13 groups of IKEA franchisees worldwide.

Compared to FY24, retail sales fell slightly by -1.0% (-0.3% when adjusted for currency effects). This is the result of lower prices introduced in FY24, which in turn lead to an increase in sales volumes of 2.6% in FY25.

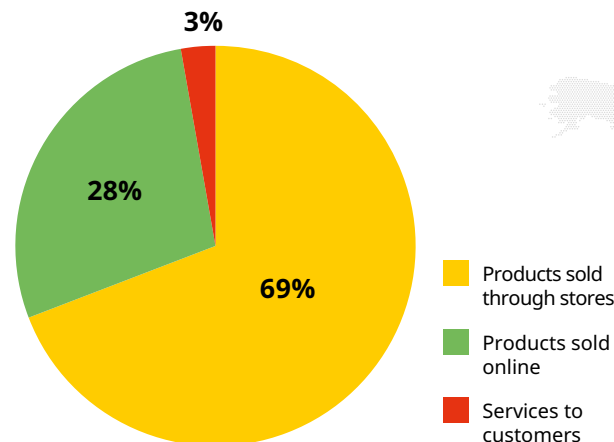
In FY25, IKEA stores welcomed 915 million visitors, an increase of 1.9% compared to the previous year.



IKEA retail sales in billion EUR



IKEA retail sales development





Inter IKEA Group reports lower sales of goods and lower franchise fees in FY25. The main reason originates from FY24 when Inter IKEA Group substantially lowered wholesale prices to IKEA retailers to support affordability. These price reductions continued to have an effect in FY25 as they were now valid for the full year. This has kept revenues fairly stable while sales volumes have grown compared to FY24.

FY25 started with a downward trend in raw material and commodity prices. However, the uncertainties around the US announcement of trade tariffs caused volatility on commodity markets in the second half of the year.

The continued effect of lowering wholesale prices across the IKEA product range worldwide during FY24 has resulted in a lower gross margin in FY25, meaning Inter IKEA Group earned less profit on the goods sold to IKEA franchisees. The decrease is also partly due to absorbing some of the effects of the additional trade tariffs. The lower gross margin follows our affordability ambitions.

Operating expenses have increased compared to the previous year due to the inclusion of

the operating expenses of the acquired retail and forestry operations in the Baltics. We also increased our spend on sustainability and digital capabilities. Furthermore, high inflation in certain countries continues to add to our operating expenses.

Financial income and expense has significantly reduced during FY25 due to lower interest income earned on outstanding cash balances.

Inter IKEA Group recorded total revenues of EUR 26.3 billion (EUR 26.5 billion in FY24), including wholesale sales to IKEA retailers, franchise fees and retail sales. Total operating income is EUR 1.7 billion (EUR 2.3 billion in FY24). Net profit is EUR 1.5 billion (EUR 2.2 billion in FY24).

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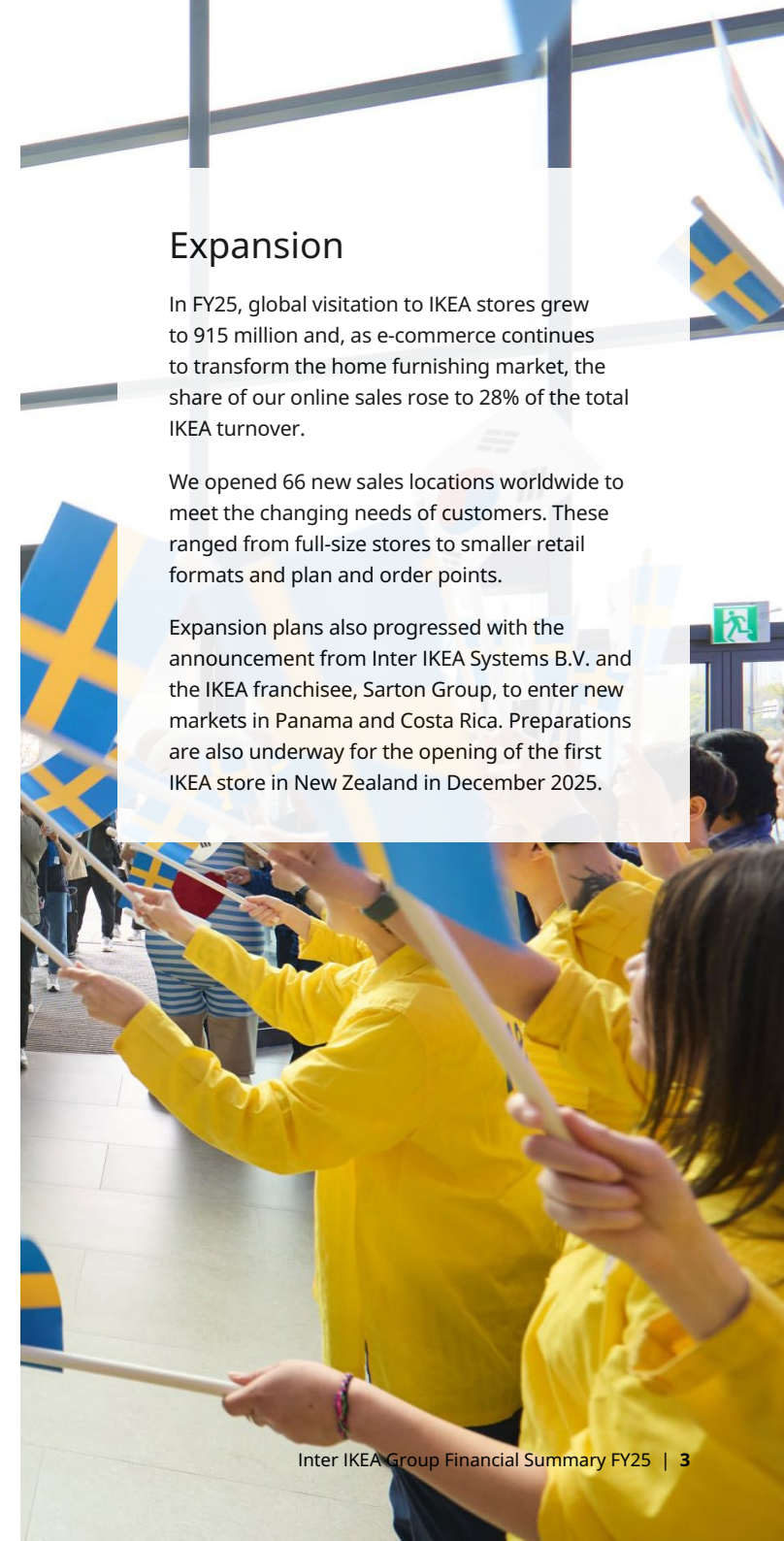
Note to reader: the included abbreviated financial statements are an abridged version of the consolidated financial statements of Inter IKEA Holding B.V. as included in the Annual Report for the financial year 2025. An unqualified auditor's report dated 6 November 2025 was issued on these financial statements. Inter IKEA Holding B.V.'s consolidated financial statements, from which these abbreviated financial statements have been derived, have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code.

## Expansion

In FY25, global visitation to IKEA stores grew to 915 million and, as e-commerce continues to transform the home furnishing market, the share of our online sales rose to 28% of the total IKEA turnover.

We opened 66 new sales locations worldwide to meet the changing needs of customers. These ranged from full-size stores to smaller retail formats and plan and order points.

Expansion plans also progressed with the announcement from Inter IKEA Systems B.V. and the IKEA franchisee, Sarton Group, to enter new markets in Panama and Costa Rica. Preparations are also underway for the opening of the first IKEA store in New Zealand in December 2025.



## Inter IKEA Group operations in the Baltics

Inter IKEA Group completed its acquisition of all IKEA retail operations and real estate in Estonia, Lithuania and Latvia in FY25. The new Inter IKEA Retail franchisee encompasses three full-size stores in Tallinn, Vilnius and Riga, along with six smaller sales locations. The acquisition added 1,600 talented IKEA retail co-workers to Inter IKEA Group's co-worker base. Together, in FY25, they hosted 7.4 million visits and generated total sales of EUR 310 million.

Further to retail operations, around 700 IKEA co-workers are employed in purchasing, logistics and production activities. IKEA Industry runs two production facilities for manufacturing particle board and furniture.

In addition to the Inter IKEA Group operations in the Baltics, there are also 29 Baltic external home furnishing suppliers that Inter IKEA Group can now connect to the whole IKEA value chain.

## The IKEA franchise business

IKEA is a franchise business. That means many people and many companies with different owners work under one IKEA brand – all dedicated to the IKEA vision of creating a better everyday life for the many people. This is realised through the IKEA 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.

The diagram on the next page shows a simplified overview of the IKEA franchise business. Inter IKEA Systems B.V., IKEA of Sweden AB, IKEA Marketing & Communication AB, IKEA Supply AG, IKEA Industry AB and Inter IKEA Retail Holding B.V. are part of Inter IKEA Group.

Franchising is a system that encourages everyone to contribute and collaborate. The franchisor has the responsibility to continuously develop the IKEA Concept and ensure its implementation in new and existing markets. Franchisees provide valuable input based on consumer and market insights. The IKEA franchise business is built on a model that focuses on low costs and high volumes to create lower prices.

**222,000**

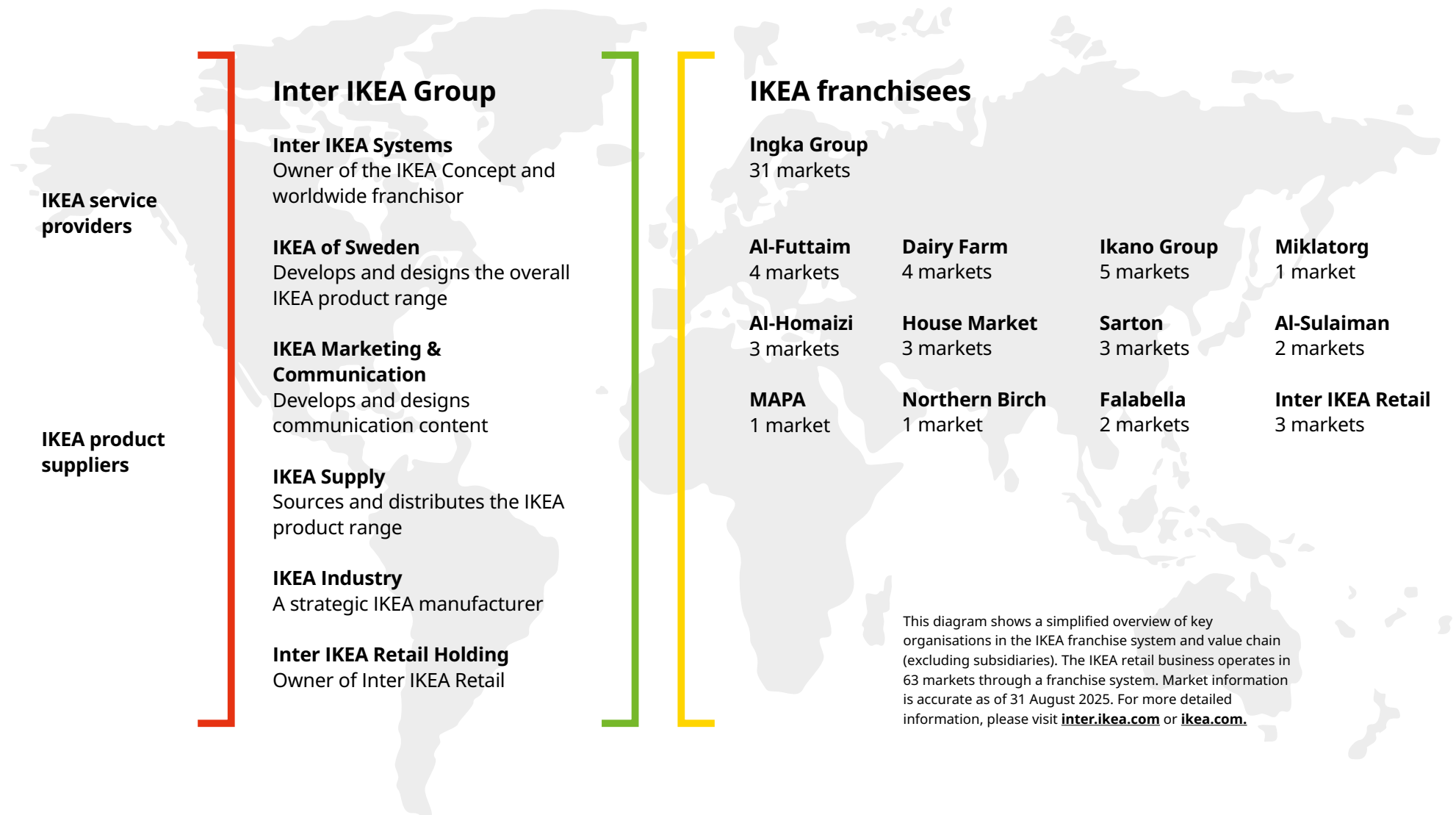
FY25 IKEA co-workers  
around the world

**216,000**

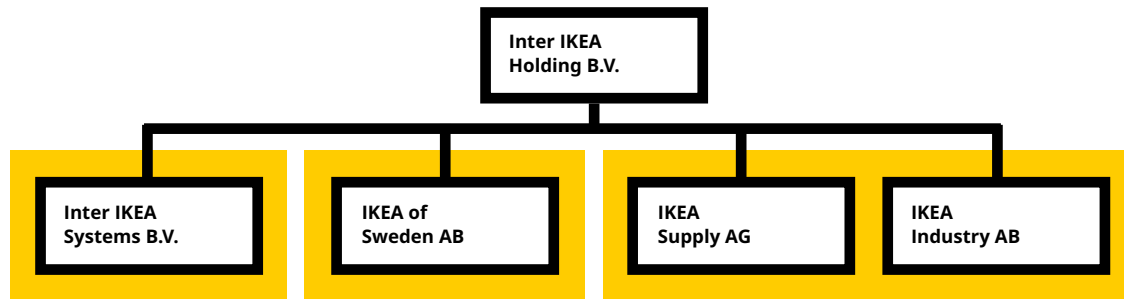
FY24 IKEA co-workers  
around the world

More IKEA facts & figures for FY25 can be found on [ikea.com](https://www.ikea.com)

# IKEA franchise system and value chain



# About Inter IKEA Group



Overview of Inter IKEA Group

Inter IKEA Holding B.V. is based in the Netherlands where the group management of Inter IKEA Group is located and the group functions are established. Inter IKEA Group has three core businesses: Retail Concept, Range and Supply. The core businesses work together with franchisees and suppliers to co-create the IKEA offer and franchise business. Inter IKEA Group aims to provide franchisees with the best possible conditions for implementing and operating the IKEA Concept, and to create a strong platform for growth.

## Retail Concept

Retail Concept is part of Inter IKEA Systems B.V., based in the Netherlands. Inter IKEA Systems B.V. is the worldwide IKEA franchisor and owner of the IKEA Concept, which includes the IKEA brand.

Retail Concept is responsible for continuously developing the IKEA Concept and ensuring its successful implementation in new and existing markets. Retail Concept also comprises certain subsidiaries of Inter IKEA Systems B.V., including IKEA Marketing & Communication AB, which develops and creates IKEA communication content. In addition to Retail Concept, Inter IKEA Systems B.V. harbours the strategic franchisor functions

to remain forward-looking in areas such as brand positioning, digital development, talent development and sustainability.

## Range

Range includes IKEA of Sweden AB, based in Sweden, and related businesses. It is responsible for designing and developing the overall IKEA product range, which includes home furnishings, food and packaging solutions, under assignment of Inter IKEA Systems B.V.

## Supply

Supply includes IKEA Supply AG, IKEA Industry AB, IKEA Components AB and related businesses. IKEA Supply AG, based in Switzerland, has received the assignment from Inter IKEA Systems B.V. to source, supply, sell and distribute IKEA products to IKEA franchisees.

The majority of IKEA products (approximately 90%) are sourced from external suppliers across the globe. IKEA Supply AG manages and operates the IKEA supply chain together with its wholesale subsidiaries and external business partners, such as transport service providers, warehouse providers and customs brokers.



## Manufacturing advances

IKEA Components continued to replace more and more plastic fitting bags with paper-based ones that are produced inhouse using paper from production waste. The current goal is to reduce annual plastic consumption by 1,400 tons and ultimately phase out all plastic consumer packaging for IKEA products completely by 2028.

## Recycling the past for a better today

Together with our local supplier in Åseda, Sweden, we have ramped up our production of metal pots made of at least 75% recycled steel and aluminium. All raw material waste from the process is returned for reuse.

Thanks to close collaboration and technological advancements with other Inter IKEA Group suppliers, we are using more recycled cotton (mixed with virgin cotton or other materials) in current and new products. Examples include, GURLI cushion covers, DVALA and VÄRVIAL bed linen, and various terry towel products.

Alternative designs for the production of mattresses and sofas using renewable and recycled foam content proved successful in FY25. Building on this we set up a pilot production in Europe for a pocket spring mattress where the majority of the components are made from recycled materials.

IKEA Industry AB is a strategic IKEA manufacturer that produces IKEA home furnishing products and develops unique IKEA manufacturing capabilities and capacities in relevant parts of the supply chain. IKEA Industry produces approximately 10% of the total IKEA range. Its operations are conducted through various production units, with a main focus on wood-based furniture.

IKEA Components AB develops, sources, packs and supplies components, retail equipment and materials in areas where it benefits IKEA and IKEA customers.

### Other functions

Inter IKEA Group also includes IKEA Älmhult AB, which owns and operates the IKEA Hotell and IKEA Museum.

### Ownership

Inter IKEA Group is fully owned and controlled by Inter IKEA Foundation, based in Liechtenstein.

### Acquisition of IKEA Retail Baltics

In FY25, Inter IKEA Group acquired full ownership of the retail operations and real estate in Estonia, Lithuania and Latvia (IKEA Retail Baltics) from Hof Group, an IKEA franchisee. By leveraging the IKEA Baltics' expertise in the local markets, Inter IKEA Group aims to gain new insights with the goal of strengthening its strategic objectives for the benefit of all IKEA franchisees. IKEA Retail Baltics continues to operate under the IKEA franchise system and therefore still has a franchise relationship with Inter IKEA Systems B.V.

### Acquisition of forest land assets

Inter IKEA Group acquired full ownership of two companies in Latvia who are engaged in the acquisition, cultivation and maintenance of forest assets across Latvia in FY25. The operations of these two entities comprise approximately 8,000 hectares of land parcels, primarily forest land. With this acquisition, the Inter IKEA Group aims to govern a part of its wood supply in the Baltics as well as contribute to the development of new methods for responsible forest management within the IKEA value chain.

# Inter IKEA Group FY25 financial results

After several years of rising costs for the sourcing and supplying of IKEA products, FY24 marked a trend-break. That year, Inter IKEA Group noted significant price decreases for raw materials and transportation. This trend continued in the first half of FY25. However, in the second half of the year uncertainties around US tariffs resulted in increases on commodity markets and higher sourcing costs.

On average, purchase price levels in FY25 evened out enabling Inter IKEA Group to maintain wholesale prices to IKEA retailers at the same level as FY24. This secured stability in the IKEA franchise system and affordability for our customers. This has kept total revenues fairly unchanged compared to FY24, with the continued effect of the lower prices being offset by higher sales volumes.

Operating expenses have increased compared to the previous year due to the inclusion of the operating expenses of the acquired retail and forestry operations

in the Baltics. We have also spent more on sustainability and digital capabilities. Furthermore, high inflation in certain countries continues to add to our operating expenses. Substantial marketing investments were made by Inter IKEA Group during FY24 to support IKEA retailers in communicating these lower prices in their markets. This resulted in additional operational costs which have not reoccurred in FY25.

Financial income and expense reduced significantly in FY25 due to lower interest income on outstanding cash balances.

Net income amounts to EUR 1.5 billion, which is a return to normal levels. The reduction versus FY24 is primarily driven by lower operating income and lower interest income. The Inter IKEA Group consolidated income statement shows a simplified overview of this year's financial performance.

## Consolidated income statement

In millions of EUR	FY25	FY24
Sales of goods	24,860	25,061
Franchise fees	1,320	1,348
Other income	126	129
<b>Total revenues</b>	<b>26,306</b>	<b>26,538</b>
Cost of goods sold	21,328	21,048
Gross profit	4,978	5,490
Operational cost	3,253	3,151
<b>Total operating income</b>	<b>1,725</b>	<b>2,339</b>
Financial income and expense	227	326
Result before tax	1,952	2,665
Income taxes	-415	-466
Results from associates	-41	-
<b>Net income</b>	<b>1,496</b>	<b>2,199</b>



### Sales of goods

Sales of goods is wholesale sales of IKEA products to IKEA franchisees. Retail sales from IKEA Delft and IKEA Retail Baltics, owned by Inter IKEA Group, are also included in this line item. Sales of goods fell following the continued effect of price decreases on the goods sold to franchisees.

### Franchise fees

In a franchise setup, one company pays another franchise fees for the right to use its intellectual property. The IKEA franchise offer is the total package of products and services, intellectual property licenses (including the IKEA trademarks and IKEA Concept) and requirements that Inter IKEA Systems B.V. provides to franchisees. IKEA franchisees pay Inter IKEA Group an annual fee of 3% over their net sales. In return, they are authorised to operate IKEA customer meeting points for marketing and selling the IKEA product range. As retail sales decreased in FY25, franchise fee income reduced accordingly.

### Other income

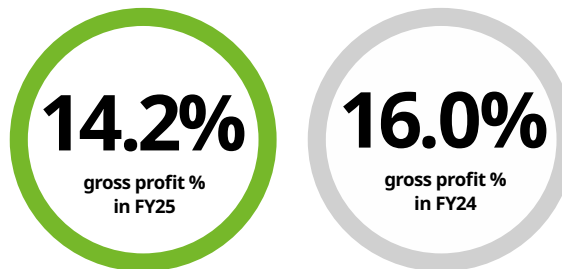
Other income mainly consists of income from marketing materials and communication created for, and sold to, IKEA franchisees.

### Cost of goods sold

Cost of goods sold is the total accumulated costs to source, manufacture and distribute products. The cost of goods sold relates both to wholesale and retail sales.

Inter IKEA Group manufactures about 10% of the IKEA home furnishing product range and sources the remaining 90% from over 800 external suppliers.

Raw material and commodity prices, and costs related to transportation and logistics, have shown volatile patterns due to the uncertainties following the announced US trade tariffs. After a downward trend at the start of FY25, price increases became evident in the latter half of the year. Although the situation stabilised recently, the uncertainties remain.

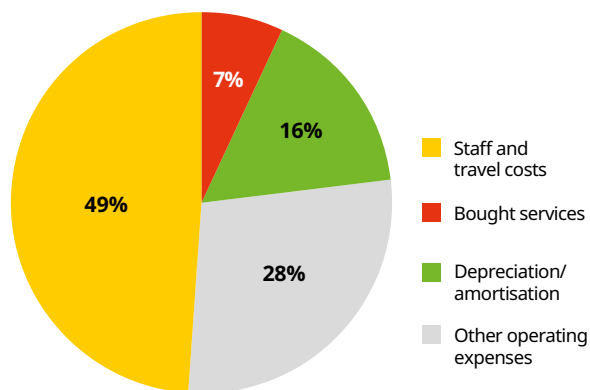


### Range development

Inter IKEA Group continued to invest in product innovation and new material technologies aimed at introducing new and exciting products at lower prices without compromising on sustainability, form, function and quality. One example is the playful asymmetrical ZEBRASÄV pendant lampshade made from 50% recycled plastic that both directs light down while at the same time adding ambience to a room.

### Multi-functional and multi-generational

The new BÄSINGEN series consisting of six products is specially designed as a helping hand for the young, old and people with physical limitations in the bathroom and rest of the home. The products were created to bring great functionality together with a beautiful design. The minimalistic expression is rooted in Scandinavian design tradition and blends in with every style. The safety, strength and durability of the products meet the highest European standards.



FY25 operational cost per category

### Operational cost

Operational cost includes co-worker costs, utilities, rent and other costs related to day-to-day operations. Disregarding one-time costs in FY24 and FY25, operational cost has increased considerably due to inclusion of the operating expenses of the Baltic retail and forestry operations and higher spend on sustainability and digital capabilities. Furthermore, high inflation in certain countries continued to add to our operating expenses.

In FY25, our co-worker base (measured in average FTE) increased from 23,892 to 25,971 primarily due to the acquisition of IKEA Retail Baltics.

### Financial income and expense

Financial income and expense is revenue and costs regarding loans, investments, cash deposits and positions in foreign currencies.

The net financial income and expense has decreased considerably compared to the previous year. In FY24, interest rates were higher, resulting in more interest income earned on outstanding cash balances. In FY25, interest rates fell resulting in lower interest income.

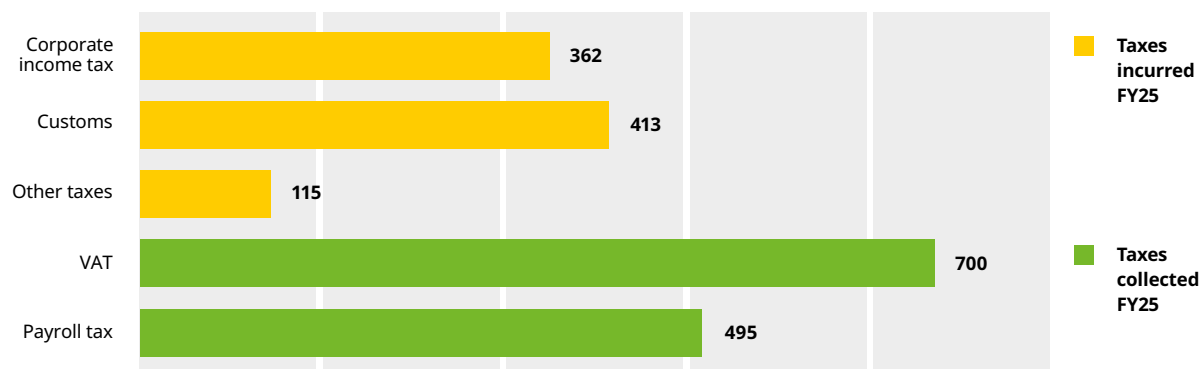
### Taxation

In FY25, the Inter IKEA Group tax charge was EUR 415 million – equal to 21.3% of pre-tax income – compared to EUR 466 million (17.5%) in FY24. The effective tax rate increased by

3.8%. This is primarily due to a higher profit reported by Inter IKEA Systems B.V. in the Netherlands as the previous year included substantial one-time investments to support IKEA retailers in their marketing efforts and lower profitability in our main supply company, IKEA Supply AG. Only minor additional taxes were recorded following the OECD Pillar Two legislation.

Inter IKEA Group's total tax contribution amounted to EUR 2.1 billion and mainly consisted of payments of corporate income tax, custom duties, VAT and payroll taxes.

For more information about tax, including our tax principles and country-by-country report, please visit [inter.ikea.com](https://inter.ikea.com).



FY25 total tax contribution by type of tax in million EUR

# Inter IKEA Group balance sheet

The majority of the Inter IKEA Group balance sheet positions as of 31 August 2025 have not changed significantly compared to 31 August 2024.

The consolidated balance sheet shows an overview of Inter IKEA Group's assets, equity and what is due to suppliers, partners and other organisations.

## Intangible fixed assets

In general terms, fixed assets are business properties intended for long-term use. Intangible fixed assets are assets that lack physical form, such as patents, trademarks, copyrights and other intellectual property.

Most Inter IKEA Group intangible fixed assets are trademark rights and other intellectual property rights. Inter IKEA Group purchased these rights in 2012. The purchase price of EUR 11.8 billion is amortised over 45 years since a positive return is expected for a long period.

## Tangible fixed assets

Tangible fixed assets include objects such as real estate and equipment that you can physically touch and feel. Inter IKEA Group tangible fixed assets are mainly factories and distribution centres.

Inter IKEA Group owns several offices, distribution centres, IKEA customer meeting points, the IKEA Hotell, the IKEA Museum and around 35 factories. Most of the factories are located in Europe. The majority produce IKEA furniture, while two factories manufacture components, such as screws and wooden dowels, used to assemble IKEA furniture.

The acquisitions of IKEA Retail Baltics and forestry assets in FY25 resulted in additions primarily to intangible and tangible fixed assets.

## Consolidated balance statement

In millions of EUR	31 Aug 2025	31 Aug 2024
Intangible fixed assets	8,899	8,821
Tangible fixed assets	1,952	1,794
Financial fixed assets	285	303
Total fixed assets	11,136	10,918
Inventories	4,832	4,108
Receivables	3,212	3,282
Cash and cash equivalents	2,937	4,164
Total current assets	10,981	11,554
<b>Total assets</b>	<b>22,117</b>	<b>22,472</b>
Group equity	18,815	19,212
Provisions	142	94
Non-current liabilities	72	84
Current liabilities	3,088	3,082
Total liabilities	3,302	3,260
<b>Equity and liabilities</b>	<b>22,117</b>	<b>22,472</b>



### **Inventories and receivables**

Inventories mostly consist of IKEA products located in, or in transit to, warehouses, distribution centres and IKEA customer meeting points. Inventory at the end of FY24 was particularly low as transport constraints posed a challenge in replenishing inventory to the desired level.

During FY25, Inter IKEA Group increased its inventory levels to secure a better availability of products for our customers. This has had an adverse effect on our cash flow in FY25 and results in a lower cash position at the end of the year.

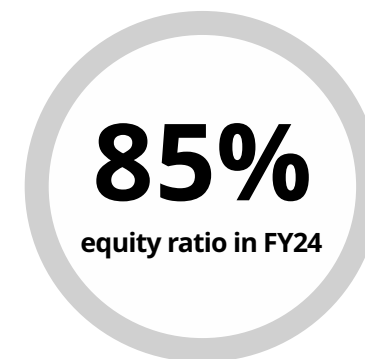
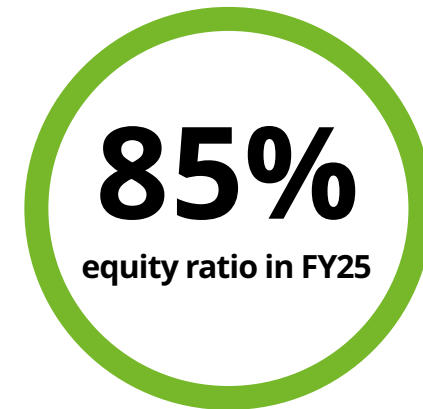
Receivables is money owed to Inter IKEA Group by business partners. Most receivables relate to franchise fees and products sold and invoiced to IKEA franchisees.

### **Group equity, provisions and liabilities**

Equity is the capital invested by the shareholder of Inter IKEA Group, plus accumulated profits over time. Equity decreased by EUR 0.4 billion in FY25, while our equity ratio remains unchanged at 85%.

A total dividend of EUR 1.4 billion will be distributed to our shareholder, Inter IKEA Foundation, of which EUR 0.8 billion was paid as an interim dividend during FY25. The dividend is primarily funded from the EUR 1.5 billion net profit realised during the year.

Provisions is money set aside for pension commitments, deferred taxes, legal disputes and product-related claims. Liabilities is money owed to others. Non-current liabilities are long-term loans payable to third parties. Current liabilities are short-term loans, money due to suppliers and tax payables.



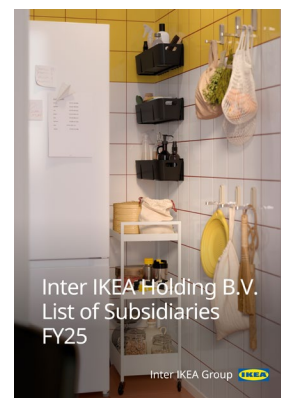
For further information, please visit [inter.IKEA.com](https://inter.IKEA.com)



Inter IKEA Group Financial Summary FY25



Inter IKEA Group  
Annual Report FY25



Inter IKEA Group List  
of Subsidiaries FY25

Inter IKEA Group

