

Inter IKEA Group
Annual Summary FY26

Inter IKEA Group

Hej!

I'm pleased to share here our year-end summary of Inter IKEA Group's performance in FY26. For the first time, we are bringing together our financial results and sustainability update to give a more complete picture of our progress.

FY26 has been a challenging year. Our business model is built on offering low prices to customers through low cost and high volumes. Sales have been stagnant for several years, and if we want to make affordable home furnishing products available to even more people, we need to return back to growth.

FY26 has also been an important year. We have sharpened our goals and priorities around what matters most to customers: a relevant product range, low prices, and a strong customer experience.

To be more accessible, IKEA retailers expanded their retail businesses with small stores and opened the first IKEA store in New Zealand. But also took the difficult decision to stop operations for seven stores in China, to secure long-term development.

We looked closely at our own operations. Parts of Inter IKEA Group had become too complex and fragmented. That is why we had to make the difficult decision to part ways with some of our co-workers. These decisions are never easy, and we did not take them lightly. But they were necessary to help us become simpler, faster, and more focused.

To be more affordable, we have recently contributed to lower prices to the IKEA customers in Europe.

I am convinced that these changes put us on a stronger path forward. We remain committed to creating home furnishing products that people want and love. Products that balance affordability, quality, function, design and sustainability.

Good design should not be a luxury. It should be for the many people.



Jakub Jankowski
CEO of Inter IKEA Group

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Facts and figures FY26

FY26 is the period from 1 September 2025 to 31 August 2026

EUR 43.8bn

Total retail sales of IKEA products, food and services in FY26

EUR 25.9bn

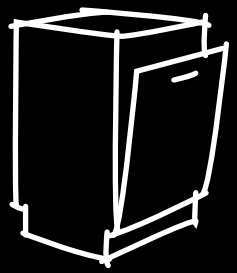
Inter IKEA Group revenues in FY26

913mn

Visitors to IKEA retail sales locations

784

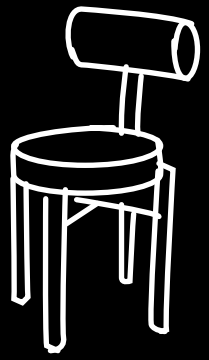
IKEA retail sales locations 519 stores and small stores, and 265 plan and order points



Launched the LAGAN integrated dishwasher in Europe, combining EU Energy Class A with a low price



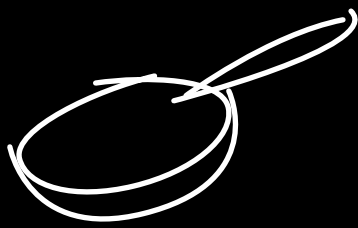
Opened the first IKEA store in New Zealand along with online shopping and 29 pick-up points nationwide



IKEA PS 2026 collection launch Making great design affordable for the many

40%

Female managers at Inter IKEA Group (49% when excluding IKEA Industry)



Completed phase-out of Polytetrafluoroethylene (PTFE) non-stick coatings from our cookware and bakeware range

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The Inter IKEA Group of companies in FY26

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.

Inter IKEA Group has three core businesses: Retail Concept, Range and Supply. Inter IKEA Systems B.V. is the worldwide IKEA franchisor and owner of the IKEA Concept. Retail Concept is part of Inter IKEA Systems B.V. and responsible for continual development of the IKEA Concept and ensuring its implementation in existing and new markets.

Range includes IKEA of Sweden AB, based in Sweden. This company determines and develops the IKEA product offering, including home furnishings, food and packaging solutions, under assignment of Inter IKEA Systems B.V.

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

IKEA Industry AB is a strategic IKEA manufacturer that produces IKEA home furnishing products and develops unique IKEA manufacturing capabilities in relevant parts of the supply chain. IKEA Components AB develops, sources, packs and supplies components such as screws and wooden dowels that are used to assemble IKEA furniture.

As per 31 August 2026, 26,949 co-workers were employed at Inter IKEA Group.

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Our business in FY26

Market conditions were tough in many parts of the world and demand for IKEA products has been decreasing. At the same time, costs went up across parts of the business. A lower demand means smaller purchasing volumes and less efficient use of production capacity at our suppliers and in our own manufacturing operations.

In addition, geopolitical tensions disrupted our supply chain in some regions and resulted in higher prices for commodities and logistics. Despite these pressures, we still delivered solid profitability.

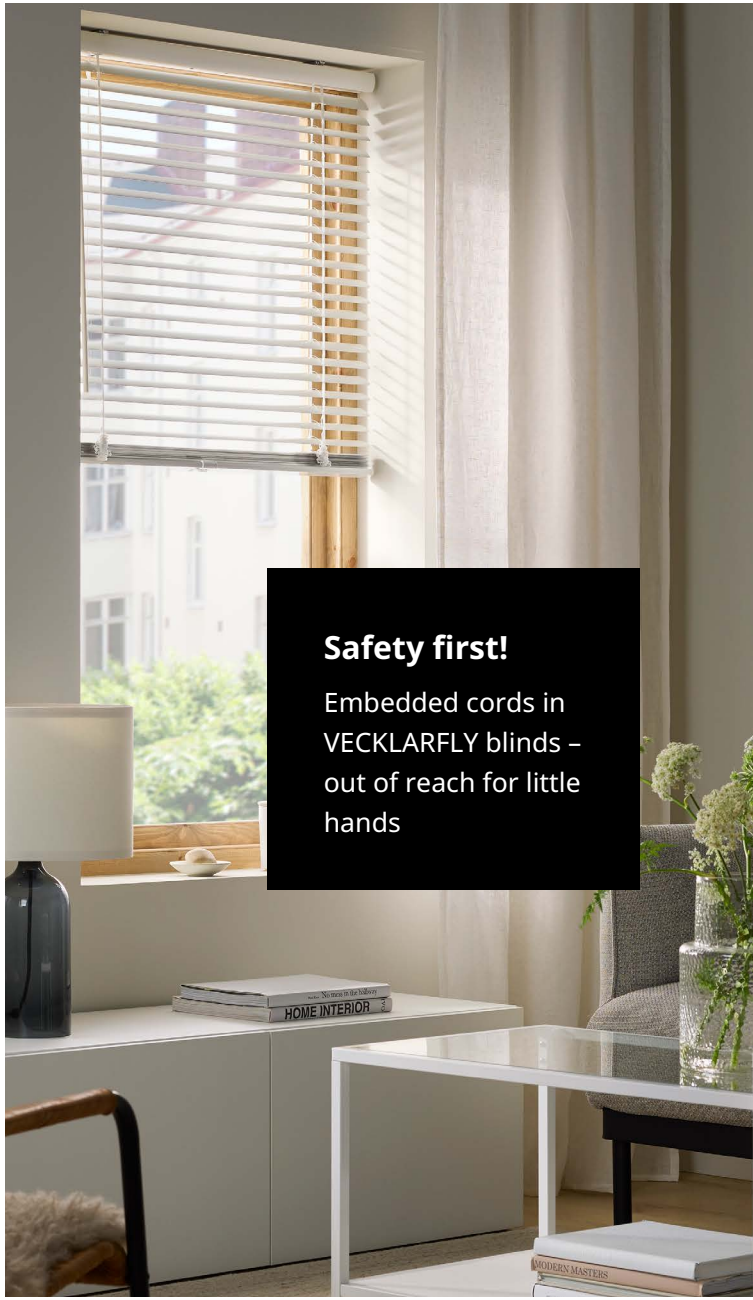
At these times, our culture and values guide our decisions, actions and priorities. In FY26 we continued to progress towards a co-worker base that reflects the diversity of the societies we operate in, with a continued focus on advancing disability inclusion.

We also worked to bring sustainability closer to the everyday decisions that shape our product range and supply chain. We look for opportunities where affordability and sustainability can support one another through product design, resource efficiency, and reduced waste.

Our focus

During FY26, we took steps to strengthen our focus on what matters most to customers: a relevant home furnishing range, low prices and a great customer experience. Investments included building digital capabilities, increasing supply chain resilience and securing access to raw materials.

The year's commercial focus was Complete Cooking & Eating, a global campaign to support people in the kitchen and make cooking and eating at home more enjoyable and accessible. We also launched the new IKEA PS 2026 collection, featuring 44 products built around playful functionality – including an inflatable armchair.



Safety first!

Embedded cords in VECKLARFLY blinds – out of reach for little hands

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Raising awareness and curiosity for nature and the animals living there through our SANDLÖPARE play collection

Adapting to our priorities
To support our business priorities, we restructured parts of our organisation in FY26. This included a reduction of approximately 850 positions globally, which will take effect in FY27. The process was guided by our IKEA culture and values with the aim of enabling faster decision-making, lower costs and more focus on delivering value for customers.

Investing in what matters most
We continued to improve capabilities in product development and sourcing while always bearing in mind people and the environment in the choices we make across our business.

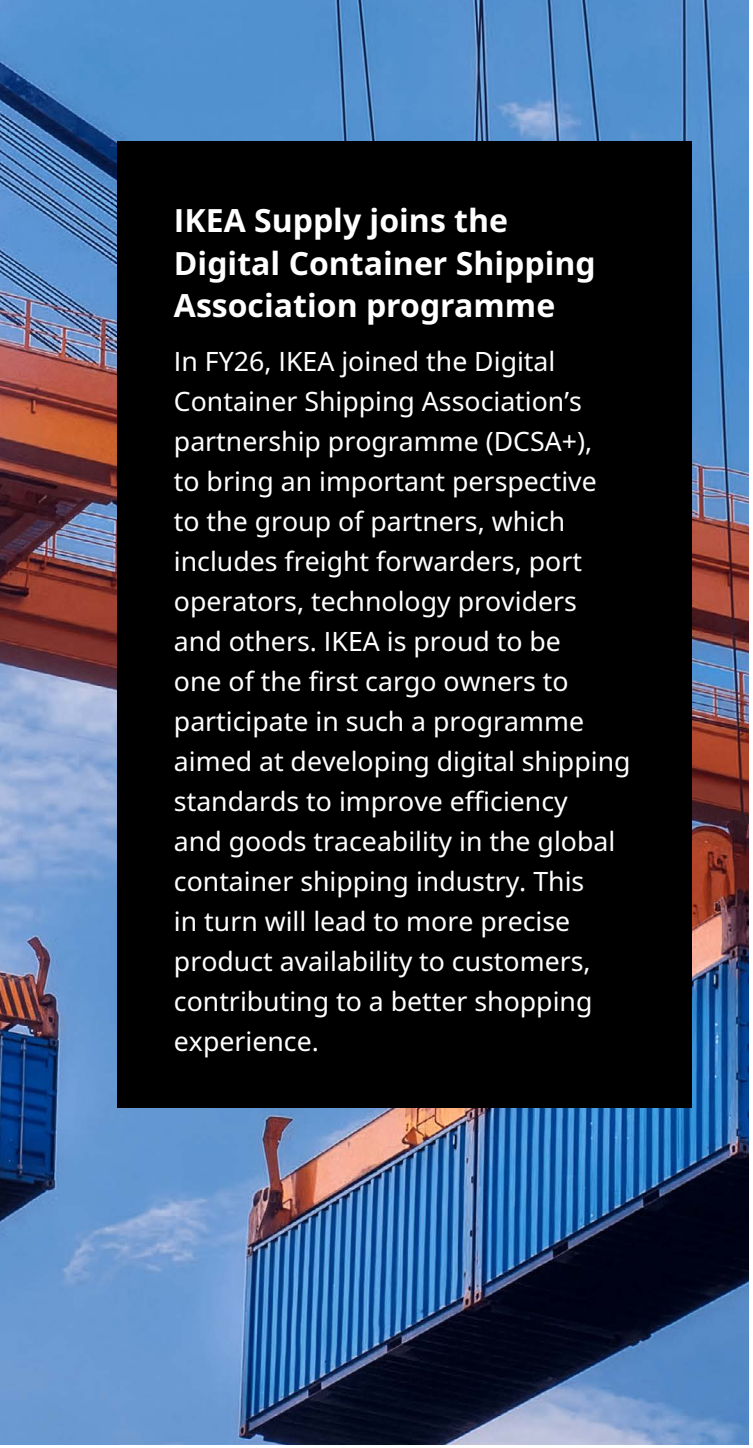
For example, in FY26, we increased the share of recycled cotton to 50% in several products including the GURLI cushion cover and the SOLFIBBLA duvet cover set, without increasing the price. And we started construction at the IKEA Industry factory in Zbąszynek, Poland, to enable production of thin boards made from wood waste from IKEA Industry production.

Retail leadership
The majority of IKEA retail is operated by 13 groups of IKEA franchisees who work under franchise agreements with Inter IKEA Systems B.V. and within the framework of the IKEA Concept.

Inter IKEA Group owns and manages the IKEA store in Delft, the Netherlands, as well as IKEA omnichannel retail across Estonia, Latvia and Lithuania. In FY26, IKEA Delft was the highest-selling IKEA store globally with EUR 240 million in sales. The Baltic markets generated sales of EUR 340 million.

As of 31 August 2026, Inter IKEA Group, and the groups of franchisees combined, operated more than 780 conceptualised IKEA retail sales locations in 64 markets. This includes large stores, small stores and plan and order points. These locations were visited by 913 million people in FY26. Worldwide IKEA retail sales in FY26 were **EUR 43.8 billion**, compared to EUR 44.6 billion in FY25. Total retail sales include IKEA products, food and services.

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IKEA Supply joins the Digital Container Shipping Association programme

In FY26, IKEA joined the Digital Container Shipping Association's partnership programme (DCSA+), to bring an important perspective to the group of partners, which includes freight forwarders, port operators, technology providers and others. IKEA is proud to be one of the first cargo owners to participate in such a programme aimed at developing digital shipping standards to improve efficiency and goods traceability in the global container shipping industry. This in turn will lead to more precise product availability to customers, contributing to a better shopping experience.

Retail expansion

In FY26, IKEA retailers expanded their retail businesses with small stores in existing markets, predominantly across Europe and North America. At the same time, as part of an evaluation and optimisation of the omnichannel offering, operations in seven stores in China were ceased.

A main highlight in FY26 was the opening of the first IKEA store in New Zealand along with online shopping and 29 plan and order points nationwide. In addition, preparations are ongoing to enter new markets in Panama and Costa Rica in FY27, thereby strengthening the IKEA presence in the Americas.

As Inter IKEA Group, we supported IKEA retailers through marketing and commercial activities to attract more store and online visitors.

Next steps to improve affordability

Looking ahead, we will focus on improving affordability and outstanding value for money. To deliver this ambition, Inter IKEA Group is contributing to lower prices to the IKEA customers in Europe.

Through investments in capabilities, partnerships and supply chain resilience, alongside efforts to make the business less complex and improve our cost position, we increased our ability to meet the needs of the many people. Despite continued market challenges, solid profitability allows us to remain independent, invest in the business, and help make IKEA products more affordable and accessible in the years ahead.

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Sustainability

Sustainability is an integrated part of our business, from sourcing and all the way to our products in customers' homes.

In FY26, we continued to focus on our material topics, including climate change, pollution, water, biodiversity and ecosystems, resource use and circular economy, and workers in the value chain.

Climate

During the year, 100% of the electricity consumed in own operations came from renewable sources, meaning generated on-site, through offsite renewable electricity contracts, or matched through renewable energy certificates.

Renewable energy production at our sites increased by 46%, as IKEA Industry expanded solar PV from three manufacturing sites in FY25 to 14 in FY26.

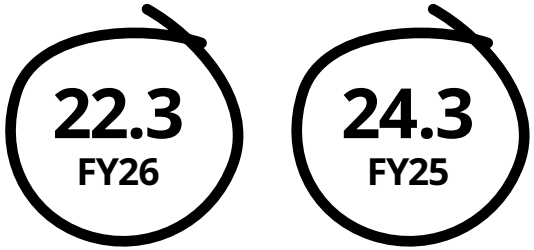
We also continued moving product development towards recycled and renewable materials, and further developed sustainability due diligence, grievance mechanisms and processes for working conditions in the value chain.

A new standard for measuring our greenhouse gas emissions

Over the last decade, addressing climate change has been an important part of our work across the IKEA value chain and a foundation for what comes next.

We have updated how we measure and report emissions as part of our work to align with requirements in the EU Corporate Sustainability Reporting Directive (CSRD). Because of these changes, FY25 and FY26 emissions figures are not directly comparable with previously reported years.

Total greenhouse gas (GHG) emissions
Scopes 1, 2 (market-based) and 3 in million tonnes CO_2eq



After a thorough assessment, we concluded that our FY16 baseline cannot be calculated using the new methodology. We are developing a new baseline and targets aligned with the Science Based Targets initiative's Net-Zero Standard.

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Our people

Strengthening inclusion and accessibility

Our ambition is for our co-worker base to better reflect the diversity of the societies we operate in.

A key focus in FY26 was advancing disability inclusion. Co-worker stories, a dedicated mini-conference and a new co-worker network focused on disability inclusion, helped raise awareness, encourage allyship and build stronger connections across the organisation.

We developed and launched an accessibility standard and procured a workplace accessibility assessment tool. This established the foundation for implementing improvements and supporting a more consistent co-worker experience across workplaces.

Diversity insights and practical guidance helped IKEA leaders strengthen cultural inclusion.

Gender equality

In FY26, we worked towards a 50/50 gender balance across Inter IKEA Group (FY26: 45% female/55% male). We monitor and report gender pay differences annually, including both overall earnings and an analysis adjusted for country of employment and job grade.

Across Inter IKEA Group, women earned 2.1% more than men on average. This unadjusted figure is influenced by workforce composition, particularly the large share of male employees in manufacturing roles, who generally have lower average pay levels. After adjusting for country of employment and job grade, women earned 2.6% less than men on average.

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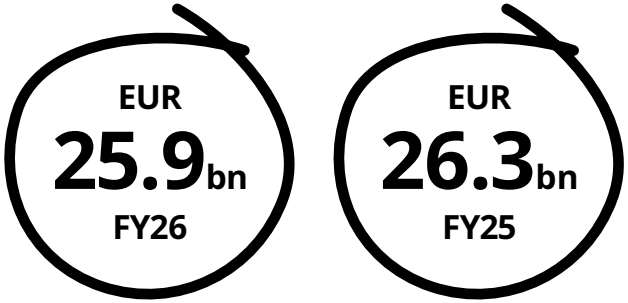
Financial performance

For FY26, Inter IKEA Group reported revenues of EUR 25.9 billion, compared to EUR 26.3 billion in FY25. Our operating result was EUR 1.5 billion.

Operating result

Our primary source of revenue is the sale of IKEA products to our franchisees as well as the franchise fees that they pay for the right to use our intellectual property and to market and sell the IKEA product range.

Total Inter IKEA Group revenues



FY26 did not deliver revenue growth. To support our affordability commitment, we largely kept our prices stable throughout the year. Demand from IKEA retailers however was below last year, making sales growth more difficult.

Tight cost control was applied during the year to balance external pressures and insufficient sales. We also took steps to adapt the business for the future through organisational changes. While necessary, these changes resulted in additional costs for restructuring. Despite the circumstances, we delivered a solid operating result of EUR 1.5 billion.

Financial income and expense

Our net financial income and expense continued to support overall profitability. This was made possible by healthy cash generation from our operations, interest income on cash balances and disciplined treasury management. Together, these factors contributed positively to our net result and maintained a strong financial position.

Taxation

In FY26, the total tax charge amounted to EUR 382 million, corresponding to an effective tax rate of 21.4%. The impact of the OECD Pillar Two legislation on our tax position was limited.

Net result

The FY26 net result amounted to EUR 1.4 billion. This result reflects the strength and resilience of our business during a year with continued market uncertainty.

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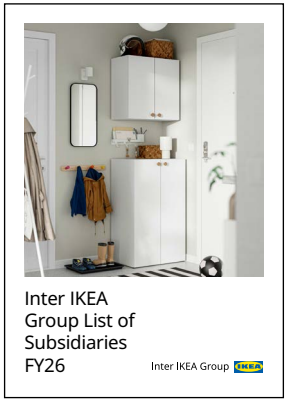
For further information, please visit inter.IKEA.com



Inter IKEA Group Annual Summary FY26



Inter IKEA Group Annual Report FY26



Inter IKEA Group List of Subsidiaries FY26

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