



Inter IKEA Group
PRESS RELEASE

14 October 2021
Delft, The Netherlands

IKEA grows again

Today, Inter IKEA Group shares IKEA facts and figures for financial year 2021 (FY21). Total IKEA retail sales, including sales of services, amounted to EUR 41.9 billion. That's 5.8% higher than FY20. The IKEA financial year runs from 1 September to 31 August. In a letter to IKEA co-workers, customers, suppliers and business partners, Inter IKEA Group CEO Jon Abrahamsson Ring gives his view on the numbers.

Hej!

In times like these, the IKEA vision and business idea are more relevant than ever: *To create a better everyday life for the many people by offering 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.*

So how are we doing? This year we've supported hundreds of millions of people to improve life at home. And I'm proud to share that **growth has resumed** and **surpassed previous highs**. Together our IKEA franchise partners' accumulated sales reached EUR 41.9 billion.

It wasn't easy. Keeping IKEA stores and warehouses stocked has been a challenge. During FY21 we saw a substantial drop in availability that we have not yet recovered from, and this will continue far into FY22. Across the IKEA value chain, range developers, suppliers, purchasers, logistics and of course IKEA retailers are together taking great efforts keep our most popular products like BILLY bookcase in stock.

At the same time, transport and raw material prices are increasing globally. At IKEA, we want to be affordable for as many people as possible. Despite rising costs, we'll continue to provide great, responsibly-produced products at the lowest possible prices.

These challenges haven't stopped us from developing the IKEA business. We've continued to launch new products and solutions to enable customers to live healthier and more sustainably. SOLHETTA, our next generation of LED bulbs, is one example. They're more affordable than our existing bulbs and on average **35% more energy-efficient**. We also see an increased interest in plant-based food such as our HUVUDROLL plant ball and the VÄRLDSKLOK plant-based mince. By 2025, 50% of the main meals offered in IKEA restaurants should be plant-based.

Another ongoing development is our raw material agenda. We're working hard towards our commitment to only use renewable and recycled materials in IKEA products. And as always we're looking for new ways to do more with less. Board on Frame – a classic IKEA approach – is one example. Now we're investigating new ways to use less metal, plastic and wood.

We're also constantly looking for new ways to make production more sustainable, cost- and energy-efficient. One example is our platform-based approach to manufacturing (check out our new PARUP sofa). Almost two-thirds of the IKEA climate footprint is directly connected to the supply chain, including production at suppliers. So we've launched a programme to accelerate suppliers' transition to 100% renewable electricity. **Today nearly 90% of IKEA Industry (owned by Inter IKEA Group) is already powered by renewable energy.**



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This year we also ended the successful career of the IKEA Catalogue. A difficult decision, but the right one for our business and our customers. People's behaviour and media consumption have changed, and less people read the IKEA Catalogue each year. Moving beyond the catalogue allows us to focus our time and resources towards making our omnichannel vision a reality. Partly due to store closures, **IKEA online channels welcomed more than 5 billion visitors** this year, and **online retail sales increased 73%**. Though most stores have re-opened, this now accounts for 26% of total sales (excluding services).

And customers still love IKEA stores. This year nearly all stores have re-opened and together welcomed nearly **775 million visitors**. Around 45 new IKEA locations (including tests) opened in FY21, including the first stores in Mexico and Slovenia. In September, franchisees opened the first full-size IKEA store in Puerto Rico and launched e-commerce in the Philippines. Our first store in the Philippines is planned to open in November, and nearly 60 more locations are expected to open this financial year.

In fact we're expanding as fast as ever. Between FY19 and the end of FY23, we expect to open 17 new markets in total and an average of 50 new locations per year (including tests). All so our customers can touch and try IKEA products before they buy – and perhaps enjoy a great meal at the same time.

Big thanks to all the 225,000 IKEA co-workers, our franchisees and suppliers for making this year successful. We can be proud of what we've accomplished together in tough times. Despite store closures, product shortages and rising costs, we've developed and performed at the same time.

And thanks to you – our customers – for your continued faith in the IKEA Brand and business. We realise that lower availability, closed stores and a rapid growth in online sales have affected the customer experience. Together with our franchisees, we're working hard to make your experience better.

Jon Abrahamsson Ring, CEO Inter IKEA Group

Read more about the IKEA FY21 year in review on [About.IKEA.COM](https://www.ikea.com/interikea/en/about-ikea)

About IKEA

IKEA offers well-designed, functional and affordable, high-quality home furnishing, produced with care for people and the environment. There are several companies with different owners, working under the IKEA Brand, all sharing the same vision: to create a better everyday life for the many people. IKEA was founded in Sweden in 1943.

About Inter IKEA Group

Inter IKEA Group includes Inter IKEA Systems B.V., IKEA of Sweden AB, IKEA Supply AG, IKEA Industry AB and related businesses. Inter IKEA Holding B.V. is the holding company for the Inter IKEA Group.

About the IKEA franchise system

The IKEA retail business is operated through a franchise system with franchisees that are authorised to market and sell the IKEA product range within specified geographical territories. Inter IKEA Systems B.V. is the owner of the IKEA Concept and worldwide IKEA franchisor, who also assigns different IKEA companies to develop the range, supply products and deliver communication solutions. Today, 12 different groups of companies own and operate IKEA sales channels under franchise agreements with Inter IKEA Systems B.V.

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