



Ingka Group (Ingka Holding BV and its controlled entities)
PRESS RELEASE

Leiden, 24 November, 2020

Robust performance and accelerated investments in omnichannel and sustainability

Life at home more important than ever for the many people during FY20

Ingka Group today reported a total revenue figure of EUR 37.4 billion (EUR 39.2 billion FY19) for FY20¹ across its three business areas (IKEA Retail, Ingka Investments and Ingka Centres), despite the challenges presented by the COVID-19 pandemic. The company remains guided by its commitments to people and planet and has continued to accelerate investments in online and sustainability - and to make strides on its transformation journey.

For several weeks during the peak of the pandemic, Ingka Group had to close 75% of its IKEA stores. The company, however, still achieved a EUR 1.2 billion (EUR 1.8 billion FY19) net profit, and these resources will go back to the business. Capital expenditure amounted to EUR 2.1 billion, including extensive investment in physical stores, digital customer experience, renewable energy and forestry, as the company continues to become more affordable, accessible and sustainable.

During FY20, Ingka Group has stayed true to the IKEA vision and stood by the side of the many people. This included EUR 26 million in emergency relief to support communities impacted by the pandemic. Alongside providing support to IKEA co-workers by securing income stability, extending parental leave and offering flexible work arrangements.

Ingka Group also decided to return government stimulus support it received to cover its co-workers' wages during the peak of the pandemic, as the business recovered faster than expected. While shopping centre tenants were helped with waived rents, and suppliers and partners received faster payments.

Juvencio Maeztu, Deputy CEO and CFO Ingka Group, said: *"This past year has tested us all, but it is testament to our values and the resilience of our co-workers that we have managed to come through in a strong financial position while also having made great strides in our business transformation. Their efforts enabled us to continue to meet our customers' increasing needs at home, at a time when home has been more important than ever.*

"We believe it is good business to be a good business - this year has shown that by holding fast to our commitments to people and planet that we are most resilient. We are focusing our investments on meeting customers however and wherever they need us, as well as in our mission to be climate positive by 2030."

Ingka Investments supported expansion in prioritised cities by acquiring a top retail location on Rue Rivoli in the heart of Paris, which is due to open in FY21. Digital transformation was also supported by acquiring Geomagical Labs, a 3-D and visual AI developer of interactive home furnishing solutions, alongside several other investments and venture growth capital. Ingka Group aims to offer an affordable and seamless online shopping experience for the many people that can make their homes and lives better. In FY20, Ingka invested in solar parks in the USA and acquired wind parks in Romania and Finland. As part of our forestland portfolio we acquired forestland in the US, this allows us to preserve and increase the forest quality for generations to come.

Ingka Group is more determined than ever to be part of solving the climate crisis and recovering and

About Ingka Group

Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 12 different groups of companies that own and operate IKEA retail under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments and Ingka Centres. Ingka Group is a strategic partner in the IKEA franchise system, operating 378 IKEA stores in 30 countries. These IKEA stores had 706 million visits during FY20 and 3.6 billion visits to [IKEA.com](https://www.ikea.com). Ingka Group operates business under the IKEA vision - 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 can afford it.



resetting our planet for generations to come. It will continue to integrate sustainability in its business model, building on the EUR 600 million investment, to reach the IKEA ambition to become people and planet positive by 2030, aimed to speed up the transition to a net-zero carbon economy. This increases overall investments into sustainability to EUR 3.8 billion

IKEA Retail recorded total sales of EUR 35.2 billion (EUR 36.7 billion FY19). The company quickly adapted to make fast changes to speed up repurposing its stores to fulfilment centres and increasing affordable services for safe pick-up and delivery. Online sales grew by 60% (48% FY19), amounting to about 18% of total sales (11% FY19).

Ingka Centres operate 45 experience-oriented shopping centres, called meeting places, in 15 countries in Europe, China and Russia. Financial support to tenants during the pandemic saw Centres maintain 95% occupancy. The Kings Mall shopping centre in London was acquired and after redevelopment will open in FY21.

"COVID-19 has accelerated our omnichannel transformation and commitment to become climate positive by 2030. We are guided by our values to make IKEA affordable, accessible and sustainable to the many people," added Maetztu.

For more information contact: Ingka Group Media Relations: + 46 70 9936376 or press.office@ingka.com

ⁱ Fiscal year: 1 September 2019 - 31 August 2020.

About Ingka Group

Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 12 different groups of companies that own and operate IKEA retail under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments and Ingka Centres. Ingka Group is a strategic partner in the IKEA franchise system, operating 378 IKEA stores in 30 countries. These IKEA stores had 706 million visits during FY20 and 3.6 billion visits to [IKEA.com](https://www.ikea.com). Ingka Group operates business under the IKEA vision - 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 can afford it.