



Ingka Group Tax Report FY24

INGKA™

Hej!



Juvencio Maeztu
Deputy CEO and CFO of Ingka Group

At Ingka Group, financial year 2024 was a year of courageously investing in the future to make IKEA more affordable, accessible, and sustainable. A slower global economy is precisely the time to side with the many people, to allow more people to meet their needs and dreams. Our main focus, guided by the IKEA vision to create a better everyday life for the many people, has been lowering our prices to restore affordability.

With our Value Creation Goals, we have a balanced approach to grow in four dimensions: Better homes for our customers, Better lives for the many people and our co-workers, a Better planet for all, and a Better company now and for future generations. This is how we base decisions and measure performance.

What makes me proud is that there are no dividends going to any private shareholder: 85% of net income is reinvested in the company. The remaining 15% is paid as dividend to the sole owner of Ingka Group, Stichting INGKA Foundation, to support the

charitable activities of the IKEA Foundation. The IKEA Foundation is an independent, strategic philanthropy that focuses its grant making efforts on tackling the two biggest threats to children's futures: poverty and climate change.

In this tax report, we explain our approach to tax and publish the Group's total tax contribution as well as country-by-country tax data. We signed the B Team Responsible Tax Principles in May 2022 and publish our tax principles on www.ingka.com.

I hope this report provides more clarity on our tax approach and how we strive to live by our values.

We welcome feedback and thank you for your interest.

Our tax approach

At Ingka Group, the largest IKEA franchisee worldwide, we live by the IKEA vision to create a better everyday life for the many people. We are committed to being a responsible taxpayer and seek to ensure that our fair share of taxes are paid in the countries where we operate. We recognise the impact that we have on the development of local economies and communities through our tax contribution.

Our vision can only be achieved by dedicated co-workers who share our key values and work together. Our Code of Conduct translates the IKEA values into everyday behaviours and addresses how we relate to each other.

We have a strong governance structure supported by a set of clear, consistent policies and rules that describe what we stand for to make sure that Ingka Group remains a well-managed and successful company.

In publishing our tax report, we aim to demonstrate our commitment to transparency and explain our tax principles. Acting in a good and responsible way has brought us to where we are today, and we are constantly on a journey to improve.

In this tax report, we provide insight into the history and business of Ingka Group, explain our approach to tax, and publish the Group's tax numbers based on the EU directive on public country-by-country reporting (Directive (EU) 2021/2101) for all countries in which we operate.

Ingka Group at a glance

The history of IKEA

The first IKEA company was founded by Ingvar Kamprad in 1943. Since then, IKEA has gone from being a tiny mail-order company to one of the most well-known home furnishing brands in the world.

As IKEA expanded in the early 1980s, Ingvar Kamprad realised that the IKEA Concept had to be protected. A franchise system was then established to allow for international expansion, protect the underlying concept, and stimulate the entrepreneurial spirit.

Ingka Group – Three businesses in one

Ingka Holding B.V. is the parent company of Ingka Group and is based in Leiden, the Netherlands.

Ingka Group owns and operates IKEA sales channels under franchise agreements with Inter IKEA Systems B.V. As the largest IKEA retailer, Ingka Group has retail operations in 31 markets and represents around 90% of IKEA retail sales. Ingka Group is made up of three businesses, working closely together: IKEA Retail, Ingka Centres, and Ingka Investments. The core businesses are supported by group functions and service companies located mainly in Sweden, the Netherlands, Ireland, and India.



Ingka Group



Ingka Centres

Meeting places
together with IKEA

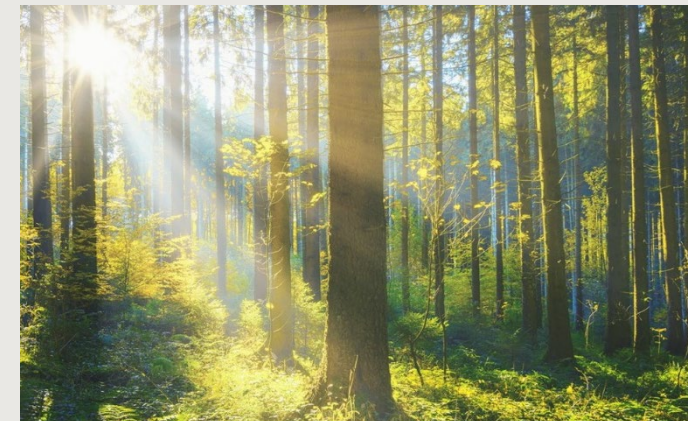
Ingka Centres is a global developer and operator of retail-led destinations for the many people that we call meeting places. Ingka Centres has 51 years of experience in shopping centres and per FY24 works with 2,500 brands across its portfolio of 35 assets in 13 markets. Ingka Centres divested its complete Russian portfolio of 14 meeting places in September 2023.



IKEA Retail

Bringing IKEA to our customers – whenever and wherever they want to meet us

IKEA Retail is the core business that operates 375 IKEA stores, 25 city stores including shops, and 174 other formats in 31 countries. IKEA Retail operates under franchise agreements with Inter IKEA Systems B.V., the worldwide IKEA franchisor.

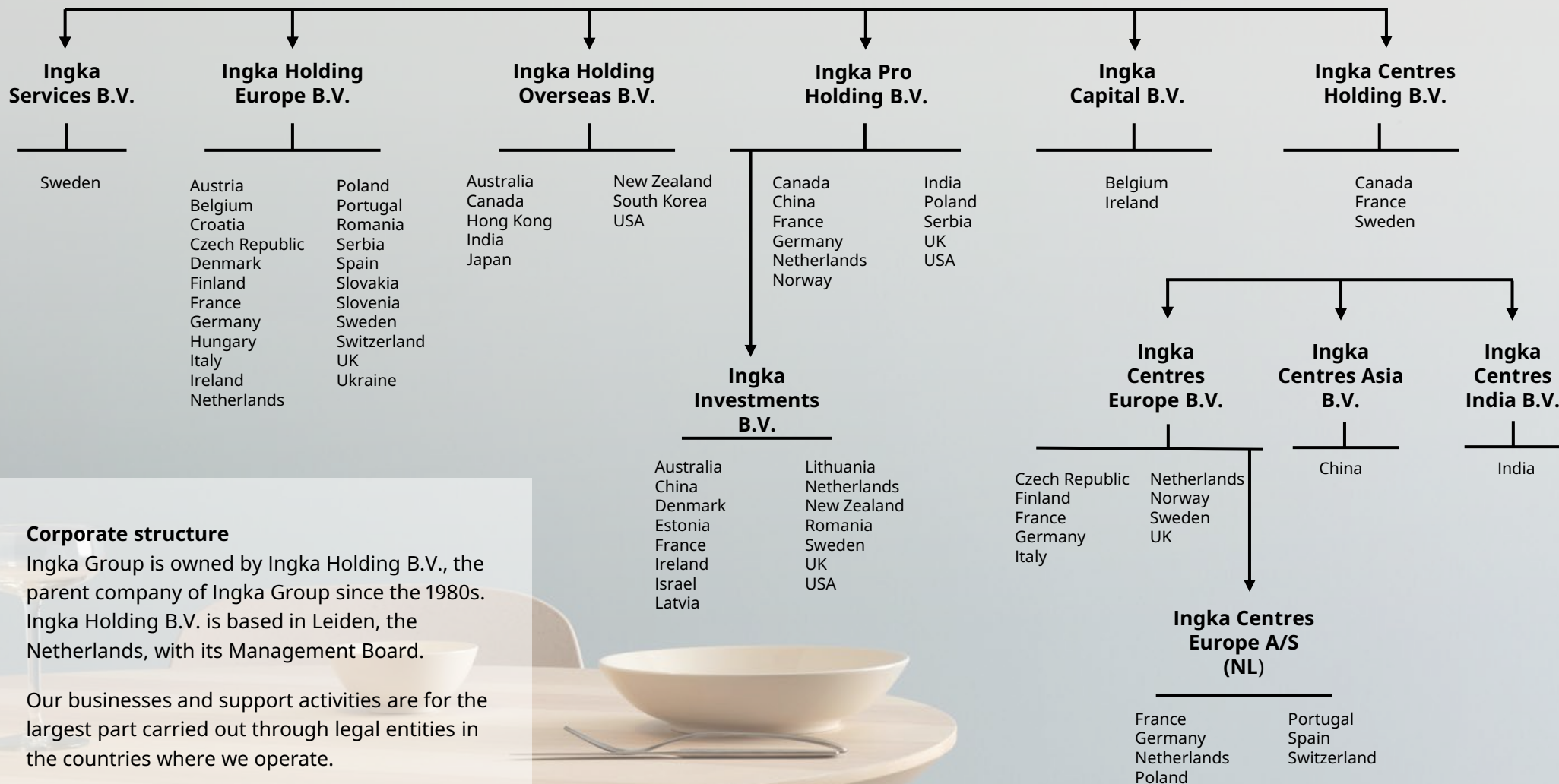


Ingka Investments

Purposeful investments
for long-term growth

Ingka Investments was created by and for IKEA Retail. We carefully balance our investment activities to secure the financial resilience and longevity of Ingka Group, support the development of our IKEA Retail business, and contribute to the Ingka Group sustainability strategy.

Ingka Holding B.V.



Corporate structure

Ingka Group is owned by Ingka Holding B.V., the parent company of Ingka Group since the 1980s. Ingka Holding B.V. is based in Leiden, the Netherlands, with its Management Board.

Our businesses and support activities are for the largest part carried out through legal entities in the countries where we operate.

All entities are – directly or indirectly – owned by Dutch (sub)-holding companies. In line with our Tax Principles (see page 9), Ingka Group does not have tax-initiated operations in tax havens.

Overview of the main Dutch (sub)-holding companies

Countries where we have operations (Simplified, per 31 August 2024. A list of subsidiaries is available at the Chamber of Commerce)

Highlighting specific locations

Countries with a strong presence of group functions and service companies supporting our core businesses

IRELAND Our Irish retail operations include one store in Dublin, multiple planning and order points, as well as ecommerce, employing over 736 co-workers.

Our core Treasury activities, including in-house banking, are carried out from our offices in Dublin, employing 22 co-workers. In addition, Ingka Investments, one of our three businesses, manages its Financial Markets Investment portfolio from Dublin. Ingka Investments Ireland has 14 co-workers.

NETHERLANDS Ingka Group is owned by Ingka Holding B.V., the parent company of Ingka Group. Ingka Holding B.V. is based in Leiden, the Netherlands, with its Management Board.

Our Dutch IKEA Retail operations include 12 stores and ecommerce, employing over 5,600 co-workers. A central warehouse unit secures the replenishment of IKEA products to the stores and fulfilment of customer orders.

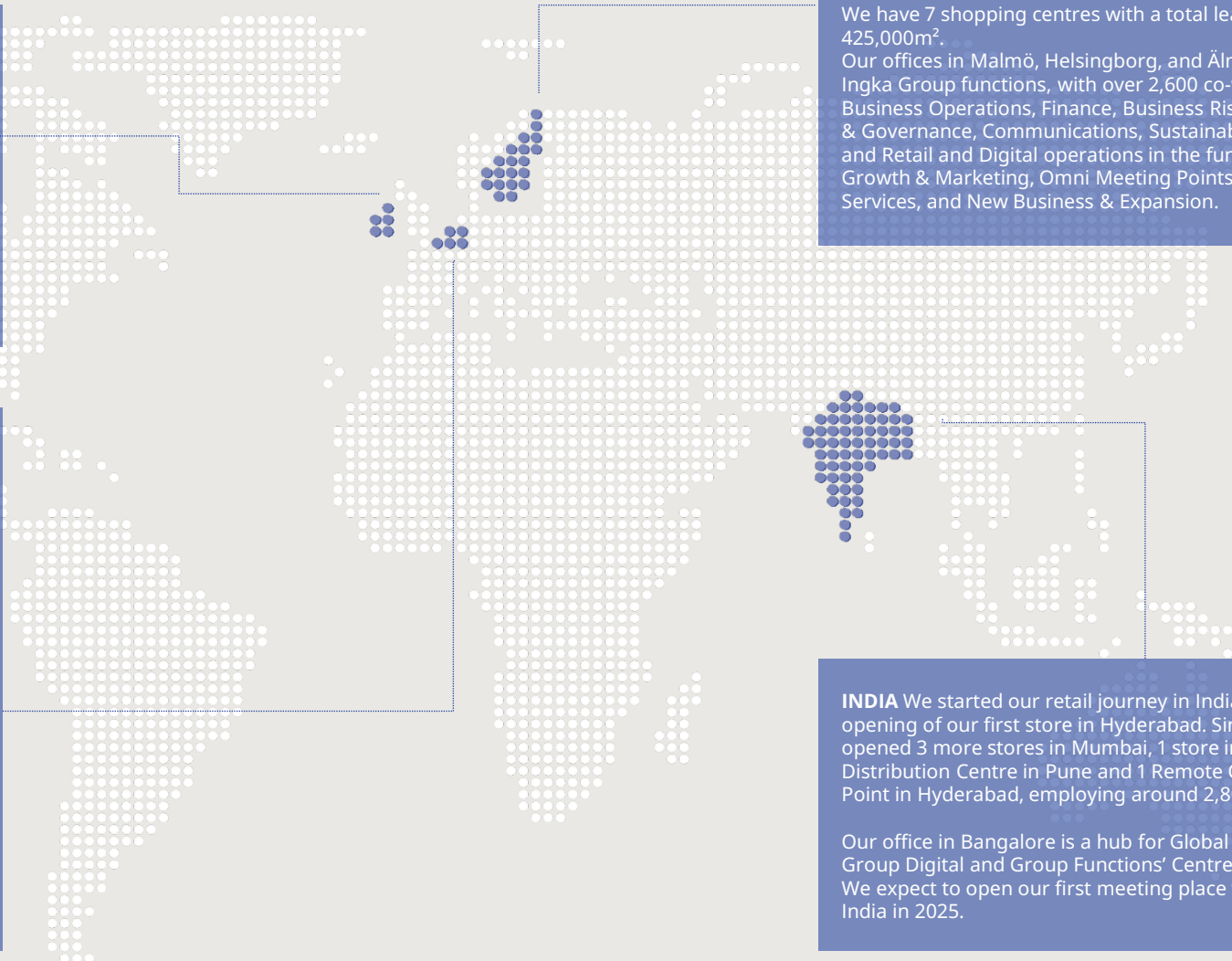
In our offices in Leiden and Amsterdam, key group functions (e.g. Digital, Finance, Business Risk & Compliance, Legal & Governance, Sustainability, and People & Culture) and businesses (Ingka Centres and Ingka Investments) are present with more than 875 co-workers who steer and support the businesses.

SWEDEN IKEA Retail operations started in Sweden, where we have 21 stores, 9 Plan and Order Points and ecommerce, employing approximately 9,500 co-workers. A central warehouse unit secures the replenishment to the stores and customer orders.

We have 7 shopping centres with a total leasable area of over 425,000m². Our offices in Malmö, Helsingborg, and Älmhult have presence of Ingka Group functions, with over 2,600 co-workers in Global Business Operations, Finance, Business Risk & Compliance, Legal & Governance, Communications, Sustainability, People & Culture, and Retail and Digital operations in the functions Retail Markets, Growth & Marketing, Omni Meeting Points, Fulfilment & Core Services, and New Business & Expansion.

INDIA We started our retail journey in India in 2018 with the opening of our first store in Hyderabad. Since then, we have opened 3 more stores in Mumbai, 1 store in Bangalore, 1 Distribution Centre in Pune and 1 Remote Customer Meeting Point in Hyderabad, employing around 2,800 co-workers.

Our office in Bangalore is a hub for Global Business Operations, Group Digital and Group Functions' Centres of Expertise. We expect to open our first meeting place with an IKEA store in India in 2025.



About our owner

Ingka Group is owned by Stichting INGKA Foundation (hereinafter: INGKA Foundation), a Dutch Foundation, based in Leiden, the Netherlands.

INGKA Foundation does not have any owners. It also does not have any beneficial owners but holds its assets only on its own behalf. This means that nobody is entitled to the assets of INGKA Foundation.

INGKA Foundation is committed to secure the long-term ownership and independence of Ingka Group.

INGKA Foundation has a charitable purpose, which is achieved by providing funding to the IKEA Foundation.

IKEA Foundation is an independent, strategic philanthropy that focuses its grant making efforts on tackling the two biggest threats to children's futures: poverty and climate change.

More information can be found here:

<https://www.ingkafoundation.org>

<https://ikeafoundation.org>



Tax principles

Accountability and governance

Tax is a core part of our corporate responsibility and governance and fully integrated in our governance structure.

Compliance

We are fully committed to comply with relevant tax laws and regulations in all the jurisdictions in which we operate and where the value is created.

Transfer pricing

We conduct intragroup transactions at arm's length and are fully committed to comply with obligations under transfer pricing rules in the jurisdictions where we operate, and under global transfer pricing principles.

Respecting letter and spirit of the law

We recognise the importance of respecting both the letter and the spirit of the law and will always act accordingly.

Business structure

We will only use business structures and carry out transactions with a commercial or economic purpose.

Whilst tax is considered in significant business decisions, we do not carry out operations where saving tax is the main benefit we expect.

Tax havens

We do not have tax-initiated operations in tax havens.

Incentives

Where tax incentives are offered by government authorities, we ensure that, in case of use of such incentives, this is done in a transparent way and consistent with statutory and regulatory frameworks.

Relationship with tax authorities

We continuously develop and maintain cooperative long-term relationships with tax authorities, based on mutual respect, trust, transparency, and, where possible, dialogues upfront.

Transparency

We are fully committed to be transparent about our approach to tax and the taxes we pay.

Tax is part of our framework for creating long-term value to society through Better homes, Better lives, a Better planet, and a Better company.

As part of being a responsible taxpayer, we are a signatory to the B Team Responsible Tax Principles since 2022. With this endorsement, we commit to full implementation of the Responsible Tax Principles and to working alongside other leading companies as well as stakeholders — including civil society groups and international institutions — to advance best practice tax reporting.

 Read more about B Team and its mission

 Read the B Team Accountability Report 2024

Facts and figures financial year 2024

162,293

Co-workers

FY23: 165,353



574

Stores & other formats

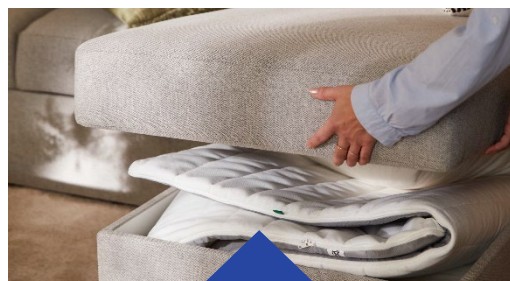
FY23: 537



EUR 465 million

Other taxes

FY23: EUR 476 million



EUR 1.3 billion

Operating income

FY23: EUR 2 billion

EUR 41.8 billion

Ingka Group revenue

FY23: EUR 44.3 billion



EUR 765 million

Corporate income tax

FY23: EUR 696 million

22.6%

Normalised tax rate

Effective tax rate: 48.7%

FY23: 28%

EUR 1.2 billion

Total tax bill

FY23: EUR 1.2 billion

EUR 47.9 billion

Group equity

FY23: EUR 46.7 billion



B Team

Responsible Tax Principles
signatory since 2022

Ingka Group's corporate and total taxes in FY24

Our effective tax rate in FY24

The effective tax rate is the average tax rate at which profits are taxed. This rate is therefore different from the statutory tax rate, which is the legal percentage established by law in a particular country.

Ingka Group's FY24 effective tax rate is calculated by dividing the corporate tax expense of EUR 765 million by the total profit before tax of EUR 1.57 billion, resulting in an effective tax rate of 48.7% (FY23: 31.6%).

Our effective tax rate is a blend of the different statutory tax rates applied to our various businesses and the different tax laws in all the countries in which we do business.

This year's effective tax rate is upwardly impacted by currency translation effects from the completion of the sale of our Russian shopping centres and losses realised in some of our markets. This more than offset the downward impact on the effective tax rate from the Financial Market Investments portfolio's strong results.

The normalised effective tax rate of 22.6% is just below the 25-30% band. For comparison, the average corporate income tax rate levied among OECD countries was 23.9% in 2024.

Total taxes in FY24

In FY24, our total tax bill, including other taxes such as property and environmental taxes, amounted to approximately EUR 1.2 billion (FY23: 1.2 billion).

In addition to these taxes, we collected substantial amounts of VAT, employment, and other indirect taxes.

Pillar Two and global minimum tax rules

Many of the countries in which Ingka Group operates are subject to Pillar Two rules, effective from 1 September 2024 (FY25).

The aim of the Pillar Two rules is to ensure that multinationals with an annual turnover exceeding EUR 750 million pay a minimum effective tax rate of 15%.

We expect to be subject to the payment of top-up tax for our operations in Ireland and Switzerland as these two jurisdictions have lower statutory tax rates. The expected impact for Ireland is difficult to assess, as the majority of Ingka's operations in Ireland are driven by volatile financial markets.

The reconciliation between the effective tax rate and the applicable tax rate in the Netherlands, which is applicable to the consolidated financial statements, is as follows (in %):

Applicable tax rate in the Netherlands	25.8
Different tax rates outside the Netherlands	14.4
Non-deductible expenses	6.3
Tax-exempt income	(2.2)
Utilisation of previously unrecognised tax losses	0.0
Unrecoverable losses	13.7
Adjustment income tax previous years	(3.0)
Withholding taxes	0.0
Other	(6.3)
Effective tax rate	48.7

Public country-by-country tax reporting

We recognise the importance of providing public insight in corporate tax positions and the role greater transparency plays in building trust. Therefore, for the third year, we are publishing our country-by-country tax data ahead of the EU Directive on public country-by-country reporting (EU 2021/2101).

The following table contains our country-by-country data, which discloses data on our total revenues, profits before tax, income taxes paid, current corporate tax expense, and other relevant financial information on an aggregated non-consolidated basis per country. We also specify our business presence in each country.

The table is presented based on the template referred to in the EU Directive with the exception of the 'Average number of co-workers', which this report bases on headcount instead of full-time equivalents.

The data shown in the table on the next pages is derived from internal management information systems and reported based on Dutch Generally Accepted Accounting Principles.





































Ingka Group FY24 – All monetary amounts are in thousands ('000) EUR

Country/region	Total revenues ¹	Profit/ loss before tax ²	Corporate income tax paid ³	Current corporate income tax expense ⁴	Accumulated earnings ⁵	Average number of co-workers ⁶	Core business lines ⁷		
							Retail	Investments	Centres
Australia	1,080,256	33,031	24,573	15,170	39,167	3,832	☞	🏠	
Austria	972,774	27,800	12,584	9,650	153,338	3,341	☞		
Belgium	1,287,861	111,684	21,948	27,766	128,519	4,419	☞		
Canada	2,238,613	48,799	13,465	13,629	780,333	7,205	☞	🏠	👥
China									
China (excl. Hong Kong SAR)	2,129,905	- 270,027	22,293	20,898	- 855,360	9,201	☞	🏠	👥
Hongkong SAR, China*	951	916	- 1,734	151	486	-			
Croatia	172,113	4,303	1,395	2,698	- 10,845	780	☞		👥
Czech Republic	546,833	75,422	15,090	13,377	99,816	2,300	☞	🏠	👥
Denmark	719,525	52,633	13,929	13,229	121,053	2,951	☞	🏠	
Estonia	7,137	1,244	-	-	28,932	9		🏠	
Finland	420,614	542	11,268	2,570	148,914	1,754	☞	🏠	👥
France	4,092,439	211,013	57,177	59,337	755,602	11,479	☞	🏠	👥
Germany	7,218,071	500,579	244,663	163,739	714,287	21,030	☞	🏠	
Hungary	360,789	15,263	2,710	3,881	21,255	1,691	☞		
India	215,159	- 140,883	528	-	- 754,995	2,888	☞		👥
Ireland	2,580,624	1,697,719	36,852	98,611	- 12,050	772	☞	🏠	
Israel	15,659	1,791	-	134	4,688	69		🏠	
Italy	2,407,525	141,018	41,833	38,538	253,997	8,057	☞		👥
Japan	600,906	- 14,045	- 569	1,212	12,000	3,607	☞		
Latvia	14,534	1,710	5	5	62,635	39		🏠	

1, 2, 3, 4, 5, 6, 7 Please refer to the glossary on page 15 for the definitions of these columns.

Ingka Group FY24 – All monetary amounts are in thousands ('000) EUR)

Country/region	Total revenues ¹	Profit/ loss before tax ²	Corporate income tax paid ³	Current corporate income tax expense ⁴	Accumulated earnings ⁵	Average number of co-workers ⁶	Core business lines ⁷		
							Retail	Investments	Centres
Lithuania	15,265	1,770	51	-	31,629	12			
Netherlands	2,133,619	- 1,335,709	10,174	15,622	53,224,056	6,540			
New Zealand	17,806	- 8,643	-	- 396	- 15,598	5			
Norway	805,625	22,904	12,656	6,602	601,533	2,769			
Poland	1,668,904	32,496	3,251	13,422	225,053	6,217			
Portugal	669,261	47,645	6,392	14,008	155,574	2,779			
Romania	345,999	31,730	1,060	5,831	187,197	1,410			
Russia	63,804	- 137,523	-	2,989	- 241,399	275			
Serbia	135,550	- 2,097	-	-	- 72,950	582			
Slovakia	170,547	11,796	5,537	5,331	106,679	568			
Slovenia	83,294	- 2,758	-	-	- 29,764	378			
South Korea	447,245	5,535	4	2,155	- 9,597	1,715			
Spain	2,065,705	119,896	27,171	26,452	647,944	9,621			
Sweden	3,652,443	41,712	12,322	11,951	612,868	12,158			
Switzerland	1,364,684	207,744	27,707	38,321	965,244	3,349			
Ukraine	183	- 11,772	-	-	- 53,139	330			
United Kingdom	3,062,960	97,776	23,822	33,217	301,686	11,535			
USA	6,524,367	- 558,034	- 328	3,425	- 338,500	16,626			
TOTAL	50,309,551	1,064,982	647,829	663,525	57,990,286	162,293			

1, 2, 3, 4, 5, 6, 7 Please refer to the glossary on page 15 for the definitions of these columns.

Glossary

1 Total revenues

The column 'total revenues' consists of Ingka Group's external as well as intercompany revenues and income, which are reported on an aggregated, non-consolidated basis, whether cross-border or within a country, or between related or unrelated parties.

2 Profit/(loss) before tax

The column 'profit/(loss) before tax' represents the aggregated profits or losses in the respective countries that Ingka Group operates in.

Several factors have had an impact on the FY24 profitability, such as rising inflation, economic downturn, operational cost increases, high interest rates, and home furnishing sector shrinkage in the markets where we operate. The aftermath of the pandemic still influenced and disrupted supply chains and prices.

3, 4 Corporate income tax paid and current corporate income tax expense

The column 'corporate income tax paid' represents the amount of corporate taxes actually paid in FY24. These amounts can relate to FY24 but also to prior or future years.

The column 'current corporate income tax expense' reflects the current corporate income tax expense recorded for the taxable profit of FY24. This amount is different from the total tax expense reported in our annual report as it does not include deferred taxes, tax provisions, nor prior year effects.

5 Accumulated earnings

The column 'accumulated earnings' represents the sum of retained earnings and legal reserves.

6 Average number of co-workers

This column represents the average number of co-workers in the respective countries in FY24 based on headcount.

7 Core business lines

This overview depicts our presence based on the operational activities of our core businesses per country (excluding minority investments).



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