



Asko has been decorated Finnish homes for over 100 years. In addition to classic products from Asko's own factory, the range includes furniture and interior products catering to many tastes.

Adopting a new operating model

Weak demand and fierce price competition in furniture retail continued in 2024. The upturn in the housing market and the strengthening of consumer confidence did not materialise despite the lower interest rates. In 2024, Indoor Group began a major reform of its operating model, aiming to serve customers even better and increase profitability.

The company's financial development was weak in 2024, with net sales decreasing to EUR 161.6 million (2023: EUR 186.3 million) and comparable operating profit coming to EUR -1.6 million (2023: EUR 1.0 million). Online store accounted for an increasing share of net sales. The closing of stores in Estonia and the sale of the commercial property in Tallinn in spring

2024 had a positive impact on the operating result. Profitability was burdened by the deployment of an extensive ERP system, which affected both costs and, in the initial phase, also operations. The features of the ERP system could be utilised in connection with the change in the operating model.

Positive experiences from pilot stores

In the autumn, the harmonisation of the chains' operations continued with a comprehensive change in the operating model. The cooperation between Asko and Sotka stores that are located adjacent to each other was deepened, while keeping both brands separate. For customers, the change will be visible,



among other things, in that the same sales person will serve the entire visit to the store, and the entire product range of both chains will be available in a larger store space. The new operating model was first tested in pilot stores and, based on the positive experience gained, it was implemented on a large scale towards the end of the year.

The change in the operating model had a positive impact on both customer service and sales and promoted resource allocation, supervisory work and competence development. The reduction of overlapping tasks had an impact on the personnel need, so Indoor started change negotiations in

the autumn, which ended at the beginning of December. As a result, 162 employment relationships were terminated. The considerable change in operating model aims for an annual operating profit improvement of at least EUR 10 million by the end of 2026.

Eyes on profitability

The goal for 2025 is to return to profitable growth. The change in the operating model has provided the desired results, and also customers and personnel have provided supportive feedback. The chains' strong brands and clear concepts are significant

competitive factors, and Insofa strengthens the chains' offering by producing customised sofas, beds and mattresses according to customers' wishes. The store network and online store provide customers with flexibility in the purchase process for furniture and interior products.

Forecast economic growth and the decline in interest rates reinforce expectations of a market recovery, of which there were indications already in late 2024. However, to achieve its financial targets, Indoor relies more than the market on promoting its strategy by developing its service capability, range and store network, among other things.

161.6 MEUR
NET SALES

-1.6 MEUR
OPERATING PROFIT

544
PERSONNEL



Affordability, speed and ease of purchase are Sotka's strengths. The product range is developed in a customer-oriented manner.