

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .
Commission File No. 000-22513

AMAZON.COM, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

91-1646860
(I.R.S. Employer
Identification No.)

410 Terry Avenue North, Seattle, Washington 98109-5210
(206) 266-1000
(Address and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$.01 per share	AMZN	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

10,616,352,407 shares of common stock, par value \$0.01 per share, outstanding as of April 23, 2025

AMAZON.COM, INC.
FORM 10-Q
For the Quarterly Period Ended March 31, 2025
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMAZON.COM, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS (in millions) (unaudited)

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2024	2025	2024	2025
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD	\$ 73,890	\$ 82,312	\$ 49,734	\$ 73,332
OPERATING ACTIVITIES:				
Net income	10,431	17,127	37,684	65,944
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization of property and equipment and capitalized content costs, operating lease assets, and other	11,684	14,262	49,224	55,373
Stock-based compensation	4,961	3,689	24,236	20,739
Non-operating expense (income), net	2,734	(2,817)	1,452	(3,539)
Deferred income taxes	(938)	507	(6,342)	(3,203)
Changes in operating assets and liabilities:				
Inventories	1,776	(1,222)	2,854	(4,882)
Accounts receivable, net and other	3,684	1,247	(9,388)	(5,686)
Other assets	(2,701)	(3,402)	(11,763)	(15,184)
Accounts payable	(11,282)	(9,043)	5,455	5,211
Accrued expenses and other	(2,928)	(4,061)	407	(4,037)
Unearned revenue	1,568	728	5,328	3,167
Net cash provided by (used in) operating activities	18,989	17,015	99,147	113,903
INVESTING ACTIVITIES:				
Purchases of property and equipment	(14,925)	(25,019)	(53,447)	(93,093)
Proceeds from property and equipment sales and incentives	990	764	4,449	5,115
Acquisitions, net of cash acquired, non-marketable investments, and other, net	(3,354)	48	(5,680)	(3,680)
Sales and maturities of marketable securities	1,392	7,737	5,904	22,748
Purchases of marketable securities	(1,965)	(13,333)	(3,115)	(37,373)
Net cash provided by (used in) investing activities	(17,862)	(29,803)	(51,889)	(106,283)
FINANCING ACTIVITIES:				
Proceeds from short-term debt, and other	338	1,815	5,687	6,619
Repayments of short-term debt, and other	(404)	(2,082)	(22,478)	(6,738)
Proceeds from long-term debt	—	746	—	746
Repayments of long-term debt	(330)	—	(2,620)	(8,852)
Principal repayments of finance leases	(770)	(410)	(3,774)	(1,683)
Principal repayments of financing obligations	(90)	(116)	(304)	(695)
Net cash provided by (used in) financing activities	(1,256)	(47)	(23,489)	(10,603)
Foreign currency effect on cash, cash equivalents, and restricted cash	(429)	416	(171)	(456)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(558)	(12,419)	23,598	(3,439)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	\$ 73,332	\$ 69,893	\$ 73,332	\$ 69,893

See accompanying notes to consolidated financial statements.

AMAZON.COM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2024	2025
Net product sales	\$ 60,915	\$ 63,970
Net service sales	82,398	91,697
Total net sales	143,313	155,667
Operating expenses:		
Cost of sales	72,633	76,976
Fulfillment	22,317	24,593
Technology and infrastructure	20,424	22,994
Sales and marketing	9,662	9,763
General and administrative	2,742	2,628
Other operating expense (income), net	228	308
Total operating expenses	128,006	137,262
Operating income	15,307	18,405
Interest income	993	1,066
Interest expense	(644)	(541)
Other income (expense), net	(2,673)	2,749
Total non-operating income (expense)	(2,324)	3,274
Income before income taxes	12,983	21,679
Provision for income taxes	(2,467)	(4,553)
Equity-method investment activity, net of tax	(85)	1
Net income	\$ 10,431	\$ 17,127
Basic earnings per share	\$ 1.00	\$ 1.62
Diluted earnings per share	\$ 0.98	\$ 1.59
Weighted-average shares used in computation of earnings per share:		
Basic	10,393	10,603
Diluted	10,670	10,793

See accompanying notes to consolidated financial statements.

AMAZON.COM, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(unaudited)

	Three Months Ended March 31,	
	2024	2025
Net income	\$ 10,431	\$ 17,127
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of tax of \$30 and \$(66)	(1,096)	1,535
Available-for-sale debt securities:		
Change in net unrealized gains (losses), net of tax of \$(158) and \$(11)	536	37
Less: reclassification adjustment for losses (gains) included in "Other income (expense), net," net of tax of \$0 and \$809	1	(2,454)
Net change	537	(2,417)
Other, net of tax of \$(1) and \$1	1	2
Total other comprehensive income (loss)	(558)	(880)
Comprehensive income	\$ 9,873	\$ 16,247

See accompanying notes to consolidated financial statements.

AMAZON.COM, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	December 31, 2024	March 31, 2025 (unaudited)
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 78,779	\$ 66,207
Marketable securities	22,423	28,358
Inventories	34,214	35,864
Accounts receivable, net and other	55,451	54,216
Total current assets	190,867	184,645
Property and equipment, net	252,665	272,781
Operating leases	76,141	78,495
Goodwill	23,074	23,089
Other assets	82,147	84,246
Total assets	\$ 624,894	\$ 643,256
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 94,363	\$ 89,241
Accrued expenses and other	66,965	66,331
Unearned revenue	18,103	20,599
Total current liabilities	179,431	176,171
Long-term lease liabilities	78,277	79,871
Long-term debt	52,623	53,374
Other long-term liabilities	28,593	27,973
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred stock (\$0.01 par value; 500 shares authorized; no shares issued or outstanding)	—	—
Common stock (\$0.01 par value; 100,000 shares authorized; 11,108 and 11,128 shares issued; 10,593 and 10,613 shares outstanding)	111	111
Treasury stock, at cost	(7,837)	(7,837)
Additional paid-in capital	120,864	124,514
Accumulated other comprehensive income (loss)	(34)	(914)
Retained earnings	172,866	189,993
Total stockholders' equity	285,970	305,867
Total liabilities and stockholders' equity	\$ 624,894	\$ 643,256

See accompanying notes to consolidated financial statements.

AMAZON.COM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 — ACCOUNTING POLICIES AND SUPPLEMENTAL DISCLOSURES

Unaudited Interim Financial Information

We have prepared the accompanying consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial reporting. These consolidated financial statements are unaudited and, in our opinion, include all adjustments, consisting of normal recurring adjustments and accruals necessary for a fair presentation of our consolidated cash flows, operating results, and balance sheets for the periods presented. Operating results for the periods presented are not necessarily indicative of the results that may be expected for 2025 due to seasonal and other factors. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) have been omitted in accordance with the rules and regulations of the SEC. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes in Item 8 of Part II, “Financial Statements and Supplementary Data,” of our 2024 Annual Report on Form 10-K.

Principles of Consolidation

The consolidated financial statements include the accounts of Amazon.com, Inc. and its consolidated entities (collectively, the “Company”), consisting of its wholly-owned subsidiaries and those entities in which we have a variable interest and of which we are the primary beneficiary, including certain entities in India and certain entities that support our healthcare services and production and distribution of video content. Intercompany balances and transactions between consolidated entities are eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the consolidated financial statements and accompanying notes. Estimates are used for, but not limited to, income taxes, useful lives of equipment, commitments and contingencies, valuation of acquired intangibles and goodwill, stock-based compensation forfeiture rates, vendor funding, inventory valuation, collectability of receivables, impairment of property and equipment and operating leases, valuation and impairment of investments, self-insurance liabilities, viewing patterns of capitalized video content, and the determination of when to capitalize certain costs relating to new products or service offerings. Actual results could differ materially from these estimates. We review the useful lives of equipment on an ongoing basis.

Effective January 1, 2025 we changed our estimate of the useful lives of a subset of our servers and networking equipment from six years to five years. The shorter useful lives are due to the increased pace of technology development, particularly in the area of artificial intelligence and machine learning. The effect of this change in estimate for Q1 2025, based on servers and networking equipment that were included in “Property and equipment, net” as of December 31, 2024 and those acquired during the three months ended March 31, 2025, was an increase in depreciation and amortization expense of \$217 million and a reduction in net income of \$162 million, or \$0.02 per basic share and \$0.02 per diluted share, which primarily impacted our AWS segment.

Supplemental Cash Flow Information

The following table shows supplemental cash flow information (in millions):

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2024	2025	2024	2025
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash paid for interest on debt, net of capitalized interest	\$ 269	\$ 236	\$ 2,475	\$ 1,825
Cash paid for operating leases	3,332	3,562	11,318	12,571
Cash paid for interest on finance leases	74	71	301	284
Cash paid for interest on financing obligations	64	55	201	210
Cash paid for income taxes, net of refunds	458	877	11,018	12,727
Assets acquired under operating leases	3,753	4,321	14,179	15,992
Property and equipment acquired under finance leases, net of remeasurements and modifications	42	54	676	866
Increase (decrease) in property and equipment acquired but not yet paid	411	3,108	801	9,736

Earnings Per Share

Basic earnings per share is calculated using our weighted-average outstanding common shares. Diluted earnings per share is calculated using our weighted-average outstanding common shares including the dilutive effect of stock awards as determined under the treasury stock method. In periods when we have a net loss, stock awards are excluded from our calculation of earnings per share as their inclusion would have an antidilutive effect.

The following table shows the calculation of diluted shares (in millions):

	Three Months Ended March 31,	
	2024	2025
Shares used in computation of basic earnings per share	10,393	10,603
Total dilutive effect of outstanding stock awards	277	190
Shares used in computation of diluted earnings per share	10,670	10,793

Other Income (Expense), Net

Other income (expense), net is as follows (in millions):

	Three Months Ended March 31,	
	2024	2025
Marketable equity securities valuation gains (losses)	\$ (2,126)	\$ (138)
Equity warrant valuation gains (losses)	(230)	(378)
Reclassification adjustment for gains (losses) on available-for-sale debt securities	(1)	3,263
Upward adjustments relating to equity investments in private companies	5	37
Foreign currency gains (losses)	(74)	(2)
Other, net	(247)	(33)
Total other income (expense), net	\$ (2,673)	\$ 2,749

The marketable equity securities valuation gain (loss) of \$(2.1) billion and \$(138) million in Q1 2024 and Q1 2025 is primarily from our equity investment in Rivian Automotive, Inc. ("Rivian"). The reclassification adjustment for the gain on available-for-sale debt securities of \$3.3 billion in Q1 2025 is primarily from the portion of our convertible notes investments in Anthropic, PBC that were converted to nonvoting preferred stock during the three months ended March 31, 2025.

Inventories

Inventories, consisting of products available for sale, are primarily accounted for using the first-in, first-out method, and are valued at the lower of cost and net realizable value. This valuation requires us to make judgments, based on currently available information, about the likely method of disposition, such as through sales to individual customers, returns to product

vendors, or liquidations, and expected recoverable values of each disposition category. The inventory valuation allowance, representing a write-down of inventory, was \$3.0 billion and \$2.8 billion as of December 31, 2024 and March 31, 2025.

Accounts Receivable, Net and Other

Included in “Accounts receivable, net and other” on our consolidated balance sheets are receivables primarily related to customers, vendors, and prepaid expenses and other current assets. As of December 31, 2024 and March 31, 2025, customer receivables, net, were \$34.3 billion and \$35.5 billion, vendor receivables, net, were \$11.6 billion and \$9.1 billion, and other receivables, net, were \$3.4 billion. Prepaid expenses and other current assets, which include amounts related to non-income taxes and satellite network launch services deposits, were \$6.3 billion and \$6.2 billion as of December 31, 2024 and March 31, 2025. We currently expense satellite network launch services deposits upon launch to “Technology and infrastructure.”

We estimate losses on receivables based on expected losses, including our historical experience of actual losses. The allowance for doubtful accounts was \$2.0 billion as of December 31, 2024 and March 31, 2025.

Digital Video and Music Content

Included in “Other assets” on our consolidated balance sheets are the total capitalized costs of video, which is primarily released content, and music, which as of December 31, 2024 and March 31, 2025 were \$19.6 billion and \$20.3 billion. Total video and music expense was \$4.6 billion and \$5.1 billion in Q1 2024 and Q1 2025.

Unearned Revenue

Unearned revenue is recorded when payments are received or due in advance of performing our service obligations and is recognized over the service period. Unearned revenue primarily relates to prepayments of AWS services and Amazon Prime memberships. Our total unearned revenue as of December 31, 2024 was \$24.6 billion, of which \$7.0 billion was recognized as revenue during the three months ended March 31, 2025. Included in “Other long-term liabilities” on our consolidated balance sheets was \$6.5 billion and \$4.9 billion of unearned revenue as of December 31, 2024 and March 31, 2025.

Additionally, we have performance obligations, primarily related to AWS, associated with commitments in customer contracts for future services that have not yet been recognized in our consolidated financial statements. For contracts with original terms that exceed one year, those commitments not yet recognized were approximately \$189 billion as of March 31, 2025. The weighted-average remaining life of our long-term contracts is 4.1 years. However, the amount and timing of revenue recognition is largely driven by customer usage, which can extend beyond the original contractual term.

Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update (“ASU”) amending existing income tax disclosure guidance, primarily requiring more detailed disclosure for income taxes paid and the effective tax rate reconciliation. The ASU is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted and can be applied on either a prospective or retroactive basis. We expect to adopt the ASU on a retroactive basis.

In November 2024, the FASB issued an ASU amending existing income statement disclosure guidance, primarily requiring more detailed disclosure for expenses. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The amendments can be applied on either a prospective or retroactive basis. We are currently evaluating the ASU to determine its impact on our disclosures.

Note 2 — FINANCIAL INSTRUMENTS

Cash, Cash Equivalents, Restricted Cash, and Marketable Securities

As of December 31, 2024 and March 31, 2025, our cash, cash equivalents, restricted cash, and marketable securities primarily consisted of cash, AAA-rated money market funds, U.S. and foreign government and agency securities, other investment grade securities, and marketable equity securities. Cash equivalents and marketable securities are recorded at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1—Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2—Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

We measure the fair value of money market funds and certain marketable equity securities based on quoted prices in active markets for identical assets or liabilities. Other marketable securities were valued either based on recent trades of securities in inactive markets or based on quoted market prices of similar instruments and other significant inputs derived from or corroborated by observable market data.