

## **Letter from the CEO**

Dear Shareholders,

2023 was a year of transformation and growth for Amazon. We continued to innovate on behalf of our customers while making significant investments in emerging technologies, sustainability, and global expansion. Our relentless focus on customer obsession, long-term thinking, and operational excellence has enabled us to deliver strong results across all our business segments.

We expanded our leadership in cloud computing, revolutionized logistics and delivery, and pioneered new frontiers in artificial intelligence and machine learning. Our commitment to being Earth's Most Customer-Centric Company remains unwavering as we build for the next decade of growth.

## **Company Overview**

Amazon.com, Inc. is a multinational technology company focusing on e-commerce, cloud computing, digital streaming, and artificial intelligence. Founded in 1994, Amazon has grown to become one of the world's most valuable companies, serving hundreds of millions of customers globally.

With operations in over 180 countries and territories, Amazon employs more than 1.5 million people worldwide. Our mission is to be Earth's Most Customer-Centric Company, Earth's Best Employer, and Earth's Safest Place to Work.

## **Business Segments**

### **North America Segment**

Our largest segment includes retail sales of consumer products and subscriptions through North American-focused online stores. This segment also includes export sales from these online stores.

### **International Segment**

Includes retail sales of consumer products and subscriptions through internationally-focused online stores and export sales from these stores, serving customers in Europe, Asia-Pacific, and other international markets.

### **Amazon Web Services (AWS)**

Global provider of cloud computing services including compute, storage, database, analytics, machine learning, and other services. AWS serves millions of customers from start-ups to enterprises and government agencies.

## **Financial Highlights**

### **Net Sales**

**\$574.8 billion**

### **Net Income**

**\$30.4 billion**

### **Operating Cash Flow**

**\$84.9 billion**

#### **Free Cash Flow**

**\$35.5 billion**

#### **AWS Revenue**

**\$90.8 billion**

#### **Total Assets**

**\$527.9 billion**

*Note: Financial figures are synthetic approximations for illustration purposes.*

### **Strategic Initiatives**

#### **Customer Experience Innovation**

Amazon continues to raise the bar on customer experience through innovations in delivery speed, product selection, and service quality. Our investment in same-day and one-day delivery has set new industry standards.

#### **Artificial Intelligence & Machine Learning**

We're leveraging AI and ML across all our businesses, from personalized recommendations to supply chain optimization and AWS services. Our generative AI initiatives are transforming how customers interact with our platforms.

#### **Sustainability Leadership**

The Climate Pledge, our commitment to net-zero carbon by 2040, drives innovation in renewable energy, sustainable packaging, and electric delivery vehicles. We're investing \$10 billion in climate solutions through the Climate Pledge Fund.

#### **Technology & Innovation**

Amazon invested over \$73 billion in technology and content in 2023, focusing on:

- Advanced robotics and automation in fulfillment centers
- Machine learning and artificial intelligence platforms
- Cloud infrastructure expansion and new AWS services
- Prime Video content creation and streaming technology
- Alexa voice technology and smart home devices

#### **Risk Factors**

- **Competition:** Intense competition across all business segments from established players and new entrants
- **Regulatory:** Evolving regulations regarding data privacy, antitrust, and international trade
- **Cybersecurity:** Threats to customer data and business operations from cyber attacks
- **Supply Chain:** Global supply chain disruptions and logistics challenges
- **Economic Conditions:** Impact of macroeconomic factors on consumer spending and business investment

## **Environmental, Social & Governance**

### **Environmental Sustainability**

Amazon is committed to building a sustainable business through The Climate Pledge, renewable energy investments, and sustainable packaging initiatives. We're on a path to power our operations with 100% renewable energy by 2025.

### **Social Impact**

We're investing in our communities through education, housing, and economic opportunity programs. Our commitment to diversity, equity, and inclusion drives our hiring and advancement practices.

### **Corporate Governance**

Strong governance practices guide our decision-making, risk management, and stakeholder engagement. We maintain high standards of transparency and accountability to our shareholders.

### **Future Outlook**

Looking ahead, Amazon is positioned to continue leading innovation in e-commerce, cloud computing, and emerging technologies. Our focus on long-term value creation, customer obsession, and operational excellence provides a strong foundation for sustainable growth.

We remain committed to inventing on behalf of customers, supporting our employees, and creating positive impact in the communities we serve worldwide.