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Amazon.com

Alexa, What Will Amazon Disrupt Next? Taking a Closer Look at Ring & Amazon's Smart Home Strategy

We are continuing our series that takes a closer look at Amazon's innovative and disruptive investment areas. We kicked off our series last week looking at Amazon's grocery strategy and Whole Foods integration (here), and in this note we focus on Ring and Amazon's smart home strategy. We believe the smart home category represents a significant growth opportunity for Amazon, with ~29M connected homes in the US (per McKinsey), including ~13M with active smart speakers (per comScore), and a long runway ahead with ~100M broadband homes in the US and nearly 1B globally. We estimate Amazon's smart home TAM is ~\$50B+ in the US, which assumes ~50M homes spending ~\$1k on smart devices, and much larger globally. Beyond its market size, we believe the smart home is a strategically important category as it provides Amazon with an in-home presence, greater access to data, and the potential to drive more shopping in other categories through Echo devices/Alexa. Amazon faces significant competition from other major tech platforms including Alphabet and Apple, traditional home security companies, and more niche players such as smart lock maker August (acquired by ASSA ABLOY). We believe Amazon is well positioned with its strong Echo/Alexa market share, while Ring provides Amazon with a competitive offering to Nest, and in our view Ring will prove to be a highly strategic asset that significantly improves Amazon's smart home offering and position in the home over time.

• What Is Ring? Amazon acquired Ring in February 2018 for a reported ~\$1B+, making it one of the largest acquisitions in the company's history behind Whole Foods. Ring is best known for its video doorbell, which launched in 2013 and is used by an estimated ~2M customers in the US (per IHS Market), representing a ~97% market share (per NPD). Ring expanded its product offering to include outdoor security cameras in 2016, and it has announced plans for a 2018 product roadmap that includes a home security system and indoor/outdoor camera (see Figure 3 for Ring's full product suite). Ring more than doubled its revenue to ~\$415M in 2017 (per media reports), has ~2,000 employees, and is a direct competitor to Nest. We note Ring and Nest products are becoming increasingly competitive, with Nest shipping its first video doorbell in March 2018 and Ring expected to launch its first indoor camera and security system later this year. See Figure 1 for a comparison of Ring and Nest smart product offerings.

Overweight

AMZN, AMZN US Price: \$1,544.92

Price Target: \$1,650.00

Internet

Doug Anmuth AC

(1-212) 622-6571

douglas.anmuth@jpmorgan.com

Bloomberg JPMA ANMUTH <GO>

J.P. Morgan Securities LLC

Cory A Carpenter

(1-212) 270-8125 cory.carpenter@jpmorgan.com

J.P. Morgan Securities LLC

Ashwin Kesireddy (1-415) 315-6756 ashwin.x.kesireddy@jpmorgan.com

J.P. Morgan Securities LLC

Dae K Lee, CFA

(1-212) 622-5673

dae.k.lee@jpmorgan.com

J.P. Morgan Securities LLC

Neeraj S Kookada

(91-22) 6157-5052

neeraj.s.kookada@jpmorgan.com

J.P. Morgan India Private Limited

Price Performance 1,600 1,400 \$ 1,200 1,000 Jun-17 Sep-17 Dec-17 AMZN share price (\$) S&P500 (rebased) YTD 1m 33.0% 6.7% 34.7% 87 6% 32.4% 6.3% 33.7% 71.9%

Amazon.com Inc (AMZN;AMZN US)

FYE Dec	2015A	2016A	2017A	2018E	2019E
EPS - Reported (\$)					
Q1 (Mar)	(0.12)	1.07	1.48	1.12	-
Q2 (Jun)	0.19	1.78	0.40	1.72	-
Q3 (Sep)	0.17	0.52	0.52	0.89	-
Q4 (Dec)	1.00	1.54	3.75	4.25	-
FY	1.25	4.90	6.15	8.00	15.95
Source: Company data, Bloor	mberg, J.P. Morgan	estimates.			

Company Data	
Price (\$)	1,544.92
Date Of Price	22-Mar-18
52-week Range (\$)	1,617.54-
	833.50
Market Cap (\$ mn)	765,507.90
Fiscal Year End	Dec
Shares O/S (mn)	496
Price Target (\$)	1,650.00
Price Target End Date	31-Dec-18

See page 12 for analyst certification and important disclosures, including non-US analyst disclosures.

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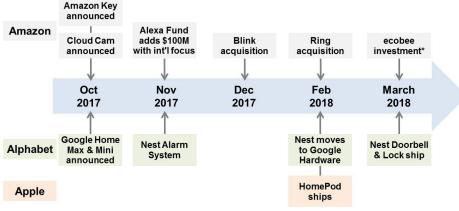
Figure 1: Comparison of Ring & Nest Smart Product Offerings

	Ring	Nest
Thermostat	-	✓ \$169-\$249
Camera-Indoor	✓* TBD	✓ \$199-\$299
Camera-Outdoor	→ \$199-\$249	✓ \$199-\$349
Doorbell	✓ \$179-\$499	∨ \$229
Security System	√ * \$199	∨ \$499
Lock	-	∨ \$279

Source: Company websites. Note: * Expected to begin shipping in 2018.

• Why Did Amazon Buy Ring? In the near term, Ring helps Amazon address the issue of package theft, and we believe Ring doorbells/cameras could integrate with Amazon Key to help accelerate the adoption of in-home delivery. While this alone might justify Ring's ~\$1B+ acquisition price, in our view the Ring acquisition signals that Amazon has much bigger smart home ambitions. Over time, we believe Ring will prove to be a highly strategic asset that Amazon leverages to offer a fully integrated smart home solution, which we believe represents a ~\$50B+ **TAM** in the US and much larger globally. Amazon, Alphabet, and Apple are each investing in smart home offerings (see Figure 2), though the market remains fragmented and before Nest recently expanded its product suite, no tech platform offered a fully integrated smart home stack—i.e., voice assistant, smart speaker hub, full suite of smart devices, and third-party appliance integration. We believe Amazon's ability to combine Ring smart devices with its Echo device/Alexa ecosystem significantly improves its smart home offering, extending its Echo/Alexa leadership in the living room/kitchen to the front porch and potentially beyond over time.

Figure 2: Mega-Cap Tech Platforms Have Ramped Smart Home Investments—Last 6-Month Snapshot



Source: Company websites. Note: *Investment made through Alexa Fund.

Video Doorbells

• Acquired in Feb'18 for ~\$1B+

HQ in Santa Monica, CA

(per Forbes)

• ~2,000 employees

Revenue of ~\$415M in 2017

Founder & CEO: Jamie Siminoff

Ring

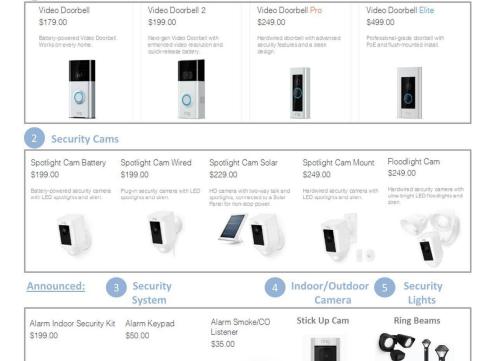
Taking a Closer Look at Ring & Amazon's **Smart Home Strategy**

What is Ring? Founded in 2012, Ring is best known for its video doorbell that launched in 2013 and has since grown to reach ~2 million customers (per IHS Markit), representing an estimated ~97% market share of US video doorbells. Amazon's Alexa Fund initially made an investment in March 2016, and Ring security cameras in 2016, and most recently it announced plans for a 2018 product roadmap that includes a home security system, Ring Beams (smart security lights), and updated Stick Up Camera that works indoor/outdoor (see Figure 3). We note Ring initially launched its home security system in Oct'17, though it was required to suspend sales due to a pending lawsuit from ADT that has since been settled. In addition to hardware sales, Ring offers subscription plans for \$3-10/month, or \$30-100/year, that provide users with video recordings

launched an Alexa skill in June 2016 that connected select Ring devices with the Echo Show and Fire TVs. Ring expanded its product offering to include outdoor

Figure 3: Ring Products—Video Doorbells, Security Cams, Security System, & Security Lights

for up to 60 days, 24/7 professional monitoring, and more.



Source: Company website. Note: Ring also offers Accessories & Security System add-ons that are not pictured above.

Source: Company website:

Why Did Amazon Buy Ring?

- 1) In the near term, we believe Ring helps Amazon better address the issue of package theft, and Ring doorbells/cameras could integrate with the Amazon Key in-home delivery offering. Amazon Key launched in Nov'17 and offers Prime members in 37 US cities free in-home delivery with the purchase of an Amazon Key Home Kit, which starts at ~\$250 and includes an Amazon Cloud Cam—Amazon's indoor security camera launched in Nov'17—and compatible smart lock (see Figure 4). In addition to in-home package delivery, Amazon Key also integrates with Amazon Home Services and offers keyless access for select service professionals—home cleaners, dog walkers, etc.
- Our take: We believe in-home package delivery and keyless service pro access is an attractive option for some consumers, removing a layer of friction for online orders and helping address the issue of package theft. However, we believe Amazon Key adoption is likely low given the high ~\$250 required initial investment, and for many consumers it will likely take time to get comfortable with the concept of allowing a stranger into their home. We believe Ring could help accelerate adoption of in-home delivery and Amazon Key by adding another security layer and lowering the initial price point for existing Ring customers. By integrating Ring with Amazon Key, customers would be able to see package couriers and/or service professionals before granting access to their home, and current Ring doorbell/camera customers could save the cost of buying an Amazon Cloud Cam.

Reyless entry, guest access, and in-home delivery

From: \$249.99

Includes smart lock and Cloud Cam security camera

Figure 4: Amazon Key & Amazon Cloud Cam Offer Prime Members In-Home Delivery

- 2) Longer term, we believe Amazon will leverage Ring to extend its Echo/Alexa leadership and offer a fully integrated smart home solution. While sizing the market is challenging, we believe the smart home category represents a ~\$50B+ market opportunity in the US, and even bigger globally. We note our ~\$50B US TAM assumes 50M smart homes vs. the 29M current connected homes and 100M broadband homes, with each household spending an average of \$1,000 on smart devices. Amazon, Alphabet, and Apple are all investing heavily in the smart home category, with each offering a smart speaker, virtual assistant, and integration with third-party smart devices. Amazon has a big lead in the living room/kitchen with Alexa/Echo, but before the Ring acquisition, Alphabet was the only platform to offer a full suite of smart home devices (see Figure 5 for a smart home platform comparison). This led to a fragmented market, which does not provide a very good consumer experience in our view, as multiple purchases across vendors are typically needed to piece together a smart home. For example, a common smart home setup today may consist of an Echo smart speaker, Nest thermostat, August lock, and Ring doorbell, with the devices all connected through the Echo/Alexa via Alexa skills.
- <u>Our take:</u> Before Amazon's Ring acquisition, Echo/Alexa was the clear leader as the smart home hub and brain, but Alphabet offered the most comprehensive smart home stack. Ring provides Amazon with the ability to extend its leadership to the front door and puts Amazon in a position to compete with Nest to control other parts of the home over time. We believe both Amazon and Alphabet are likely to offer a fully integrated smart home solution over time, which in our view removes friction and could accelerate smart home adoption. We also expect to see tighter integration between Echo/Alexa/Ring, and while Ring devices currently work with Google Home/Assistant, we wouldn't rule out the possibility that Amazon may decide to ultimately make Ring device integration exclusive to Echo/Alexa.

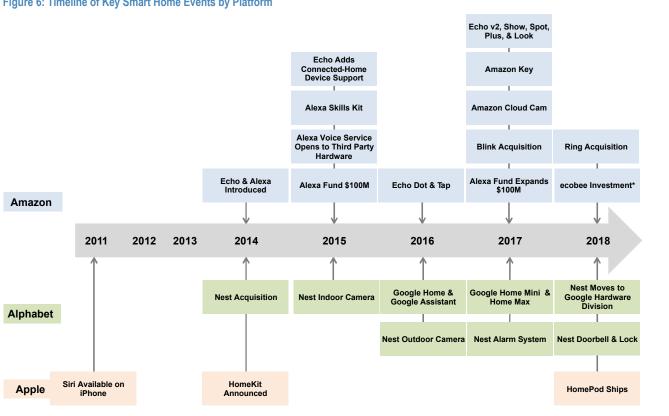
Figure 5: Smart Home Platform Comparison—Amazon, Alphabet, & Apple

	Amazon	Alphabet	Apple
"Brain"Virtual Assistant	Alexa	Google Assistant	Siri
"Hub"Smart Speaker	•	•	•
Brands	Ring, Blink, Amazon Cloud Cam	Nest	
Third-Party Integration?	•	•	•
Smart Home Devices:			
Thermostat		•	
Camera-Indoor	•	•	
Camera-Outdoor	•	•	
Doorbell	•	•	
Security System	*	•	
Lock		•	

Source: Company websites. Note: * Expected to begin shipping in 2018.

Appendix

Figure 6: Timeline of Key Smart Home Events by Platform



Source: Company websites. Note: * Investment made through Alexa Fund.

Figure 7: Nest Products—Thermostats, Cameras, Doorbell, Lock, & Alarm System



Source: Company website. Note: Nest also offers a Smoke/CO Alarm, & Thermostat Temp Sensors for pre-order. Alarm System starter pack includes 1 Nest Guard, 2 Nest Detects, & 2 Nest Tags.

Investment Thesis, Valuation and Risks

Amazon.com (Overweight; Price Target: \$1,650.00)

Investment Thesis

Overweight rating. We believe Amazon is well positioned as the market leader in eCommerce, where it's still early days with US eCommerce representing ~13% of adjusted retail sales (ex-gas, food, and autos), which we view as likely going to 30%+ over time. We believe Amazon continues to show strong ability to take share of overall eCommerce, and its flexibility in pushing first-party vs. third-party inventory and its Prime offering both serve as major advantages. Additionally, we believe AWS is the leader in the public cloud with a ~75% US market share, and it remains early with only ~10%+ of workloads in the cloud today and the pace of cloud adoption accelerating in our view. High AWS profitability gives us increased confidence in the business and also drives a meaningful increase in our sum-of-theparts valuation.

Valuation

Our December 2018 price target of \$1,650 is based on our sum-of-the-parts analysis. We believe this methodology appropriately attributes value to the company's large, fast-growing, and profitable AWS segment, in which Amazon continues to invest.

We apply a 1.25x multiple on 2018E retail GMV of \$401B, which we believe is justified as large retailer peer Walmart trades at ~0.6x GMV and as Amazon has a meaningfully higher growth profile. We note this is a discount to other retailers (HD 2.1x, LOW 1.2x, TJX 1.2x). We apply an 18x multiple on our 2019E AWS EBITDA of \$17B, which is at a discount to other SaaS companies such as Salesforce trading at ~20x '18E EBITDA.

Sum-of-the-Parts Analysis

our or the rate rate year	AMZN SOP Valuation							
	Year	GMV	EBITDA	Multiple	Value			
NA & Int'l Retail	2018	401,218		1.25x	501,523			
AWS	2019		17,025	18x	310,198			
Total Value					\$811,721			
Less: Debt					24,743			
Plus: Cash					38,598			
Value to Common Shareholders					\$825,575			
Total shares outstanding					501			
Value per AMZN share					\$1,650			
Source: Company reports I.P. Morgan actimates								

Source: Company reports, J.P. Morgan estimates.

Risks to Rating and Price Target

Downside risks include: 1) margin pressure from heavy investment spend; 2) potential for more regulatory and antitrust scrutiny; 3) increased competition from online and offline retailers impacts AMZN's revenue trajectory; and 4) AWS revenue decelerates faster than expected from stepped-up competition and price pressure.

Figure 8: AMZN Income Statement

Doug Anmuth (1-212) 622-6571 douglas.anmuth@jpmorgan.com

\$ in thousands, except per share data

Gross Merchandise Value	2015A 184.103.000	2016A 244,712,000	3/17A 63,063,500	6/17A 67,447,750	9/17A 77,218,000	12/17A 105,673,750	2017A 313,403,000	3/18E 84,636,214	6/18E 89,808,757	9/18E 98,890,862	12/18E 127,882,474	2018E 401,218,308	2019E 483.296.024
GMV, AMZN	184,103,000	244,712,000	63,063,500	67,447,750	75,942,000	101,151,750	307,605,000	80,229,379	85,316,347	94,520,809	123,014,559	383,081,094	463,707,833
GMV, WFM					1,276,000	4,522,000	5,798,000	4,406,835	4,492,410	4,370,053	4,867,915	18,137,213	19,588,190
Net calca an MCM	107,007,000	135,987,000	35,714,000	37,955,000	43,744,000	60,453,000	177,866,000	50,508,345	53,429,883	58,259,808	74,124,050	236,322,086	285,163,33 265,575,14
Net sales, ex-WFM Online Stores	107,007,000 76,863,000	135,987,000 91,431,000	35,714,000 22,826,000	37,955,000 23,754,000	42,468,000 26,392,000	55,931,000 35,383,000	172,068,000 108,355,000	46,101,509 27,465,684	48,937,473 28,602,446	53,889,755 31,294,565	69,256,135 40,914,536	218,184,873 128,277,232	146,877,43
Physical Stores	70,000,000	31,431,000	22,020,000	20,734,000	1,276,000	4,522,000	5,798,000	4,406,835	4,492,410	4,370,053	4,867,915	18,137,213	19,588,19
Retail third-party seller services	16,086,000	22,993,000	6,438,000	6,991,000	7,928,000	10,523,000	31,880,000	8,969,828	9,641,363	10,748,461	13,957,004	43,316,657	55,445,32
Retail subscription services	4,467,000	6,394,000	1,939,000	2,165,000	2,441,000	3,177,000	9,722,000	2,914,827	3,223,925	3,577,919	4,499,690	14,216,361	19,192,08
AWS	7,880,000	12,219,000	3,661,000	4,100,000	4,584,000	5,113,000	17,458,000	5,320,396	5,859,354	6,398,162	7,037,191	24,615,103	32,615,01
Other	1,710,000	2,950,000	850,000	945,000	1,123,000	1,735,000	4,653,000	1,430,774	1,610,385	1,870,648	2,847,713	7,759,519	11,445,29
Cost of sales	71,651,000	88,248,000	22,432,000	23,439,000	27,536,000	38,480,000	111,887,000	30,946,494	32,207,956	36,042,942	46,885,997	146,083,388	172,657,80
Cost of sales, AMZN	71,651,000	88,248,000	22,432,000	23,439,000	26,681,491	35,427,650	107,980,141	27,949,846	29,153,117	33,071,306	43,575,815	133,750,083	159,239,89
Cost of sales, WFM					854,509	3,052,350	3,906,859	2,996,648	3,054,839	2,971,636	3,310,182	12,333,305	13,417,91
Gross profit	35,356,000	47,739,000	13,282,000	14,516,000	16,208,000	21,973,000	65,979,000	19,561,851	21,221,927	22,216,867	27,238,053	90,238,698	112,505,52
Gross profit, AMZN Gross profit, WFM	35,356,000	47,739,000	13,282,000	14,516,000	15,786,509 421,491	20,503,350 1,469,650	64,087,859 1,891,141	18,151,664 1,410,187	19,784,356 1,437,571	20,818,450 1,398,417	25,680,320 1,557,733	84,434,790 5,803,908	106,335,24 6,170,28
					421,431	1,405,000	1,051,141	1,410,167	1,437,571	1,350,417	1,007,700	5,605,906	0,170,20
Operating expenses:	40.000.000	40.000.000	4.504.000	4.007.000	0.400.000	0.740.000	04.000.000	7 700 500	0.044.400	0.700.074	40.040.005	04 700 004	40 400 40
Fulfillment Marketing	12,930,000 5,062,000	16,962,000 6,910,000	4,534,000 1,826,000	4,897,000 2,096,000	6,190,000 2,344,000	8,718,000 3,292,000	24,339,000 9,558,000	7,702,523 2,828,467	8,014,482 3,125,648	8,738,971 3,233,419	10,340,305 4,150,947	34,796,281 13,338,482	40,493,19 17,109,80
Technology and content	11,317,000	14,423,000	4,372,000	4,916,000	5,349,000	5,677,000	20,314,000	6,061,001	6,518,446	6,991,177	7,190,033	26,760,657	32,793,78
General and administrative	1,523,000	2,117,000	709,000	755,000	848,000	920,000	3,232,000	931,411	980,507	1,051,204	1,098,924	4,062,047	4,863,01
Stock-based compensation	2,120,000	2,975,000	792,000	1,158,000	1,085,000	1,179,000	4,214,000	990,000	1,138,500	1,252,350	1,377,585	4,758,435	5,472,20
Amortization of other intangibles	171,000	166,000	44,000	66,000	45,000	60,000	215,000	64,500	69,338	74,538	80,128	288,503	346,20
Total operating expenses	33,123,000	43,553,000	12,277,000	13,888,000	15,861,000	19,846,000	61,872,000	18,577,902	19,846,921	21,341,660	24,237,922	84,004,405	101,078,19
Operating income	2,233,000	4,186,000	1,005,000	628,000	347,000	2,127,000	4,107,000	983,949	1,375,006	875,207	3,000,131	6,234,293	11,427,32
Operating income, ex-WFM	2,233,000	4,186,000	1,005,000	628,000	326,000	2,149,610	4,107,000	1,005,983	1,375,006	831,506	2,951,452	6,141,486	10,937,62
Operating income, WFM	,,	, 15,550	, ,	,	21,000	(22,610)	(1,610)	(22,034)	22,462	43,701	48,679	92,808	489,70
Non-GAAP Operating income (CSOI)	4,524,000	7,327,000	1,841,000	1,852,000	1,477,000	3,366,000	8,536,000	2,038,449	2,582,844	2,202,095	4,457,844	11,281,232	17,245,73
Non-operating expenses:													
Non-operating expenses: Interest income	49,000	101,000	39,000	44,000	54,000	66,000	203,000	61,771	59,413	63,085	73,530	257,799	360,63
Interest income Interest expense	(460,000)	(484,000)	(139,000)	(143,000)	(228,000)	(339,000)	(849,000)	(349,695)	(363,611)	(378,919)	(395,757)	(1,487,981)	(1,612,56
Other income, net	(254,000)	89,000	48,000	137,000	143,000	18,000	346,000	-		-	,	,	-
Total non-operating expenses, net	(665,000)	(294,000)	(52,000)	38,000	(31,000)	(255,000)	(300,000)	(287,924)	(304,198)	(315,834)	(322,227)	(1,230,182)	(1,251,92
Income (loss) before equity-method investees	1,568,000	3,892,000	953,000	666,000	316,000	1,872,000	3,807,000	696,026	1,070,808	559,373	2,677,904	5,004,111	10,175,40
Equity in losses of equity-method investees, net Income (loss) before income taxes	(21,000) 1,547,000	(96,000) 3,796,000	953,000	(2,000) 664,000	(2,000) 314,000	1,872,000	(4,000) 3,803,000	696,026	1,070,808	559,373	2,677,904	5,004,111	10,175,40
Provision (benefit) for income taxes	951,000	1,425,000	229,000	467,000	58,000	16,000	770,000	139,205	214,162	111,875	535,581	1,000,822	2,035,08
Effective Tax Rate	61.5%	37.5%	24.0%	70.3%	18.5%	0.9%	20.2%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0
Income before change in acctg/ Fully Taxed Income	596,000	2,371,000	724,000	197,000	256,000	1,856,000	3,033,000	556,821	856,647	447,499	2,142,323	4,003,289	8,140,32
GAAP Net income	596,000	2,371,000	724,000	197,000	256,000	1,856,000	3,033,000	556,821	856,647	447,499	2,142,323	4,003,289	8,140,32
Basic income (loss) per share Diluted income (loss) per share	\$1.28 \$1.25	\$5.01 \$4.90	\$1.52 \$1.48	\$0.41 \$0.40	\$0.53 \$0.52	\$3.84 \$3.75	\$6.32 \$6.15	\$1.15 \$1.12	\$1.76 \$1.72	\$0.92 \$0.89	\$4.36 \$4.25	\$8.20 \$8.00	\$16.3 \$15.9
Basic shares outstanding			+	+	70.00	+			*****				
	467,000	473,500	477,000	479,000	481,000	483,000	480,000	485,000	487,000	489,000	491,000	488,000	497,760
Diluted shares outstanding	467,000 477,000	473,500 484,000	477,000 490,000	479,000 492,000	481,000 494,000	483,000 495,500	480,000 492,875	485,000 497,500	487,000 499,500	489,000 501,500	491,000 503,500	488,000 500,500	
Diluted shares outstanding													
Diluted shares outstanding EBITDA Reconciliation:	477,000	484,000	490,000	492,000	494,000	495,500	492,875	497,500	499,500	501,500	503,500	500,500	510,51
Diluted shares outstanding EIITDA Reconciliation: Non-GAAP Operating income (CSOI)	477,000 4,524,000	484,000 7,327,000	490,000 1,841,000	492,000 1,852,000	494,000 1,477,000	495,500 3,366,000	492,875 8,536,000	497,500 2,038,449	499,500 2,582,844	501,500 2,202,095	503,500 4,457,844	500,500 11,281,232	510,510 17,245,733
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization	4,524,000 6,281,000	484,000 7,327,000 8,117,000	490,000 1,841,000 2,435,000	492,000 1,852,000 2,633,000	494,000 1,477,000 2,912,000	495,500 3,366,000 3,498,000	492,875 8,536,000 11,478,000	497,500 2,038,449 3,537,707	499,500 2,582,844 3,840,164	501,500 2,202,095 4,192,690	503,500 4,457,844 4,443,200	500,500 11,281,232 16,013,761	17,245,733 18,598,677
Diluted shares outstanding EIITDA Reconciliation: Non-GAAP Operating income (CSOI)	477,000 4,524,000	484,000 7,327,000	490,000 1,841,000	492,000 1,852,000	494,000 1,477,000	495,500 3,366,000	492,875 8,536,000	497,500 2,038,449	499,500 2,582,844	501,500 2,202,095	503,500 4,457,844	500,500 11,281,232	510,510 17,245,733
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA	4,524,000 6,281,000	484,000 7,327,000 8,117,000	490,000 1,841,000 2,435,000	492,000 1,852,000 2,633,000	494,000 1,477,000 2,912,000	495,500 3,366,000 3,498,000	492,875 8,536,000 11,478,000	497,500 2,038,449 3,537,707	499,500 2,582,844 3,840,164	501,500 2,202,095 4,192,690	503,500 4,457,844 4,443,200	500,500 11,281,232 16,013,761	510,510 17,245,73 18,598,67
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (/Y Growth	4,524,000 6,281,000 10,805,000	7,327,000 8,117,000 15,444,000 2016A	1,841,000 2,435,000 4,276,000 3/17A	492,000 1,852,000 2,633,000 4,485,000 6/17A	1,477,000 2,912,000 4,389,000 9/17A	495,500 3,366,000 3,498,000 6,864,000 12/17A	492,875 8,536,000 11,478,000 20,014,000 2017A	497,500 2,038,449 3,537,707 5,576,157 3/18E	499,500 2,582,844 3,840,164 6,423,007 6/18E	501,500 2,202,095 4,192,690 6,394,784 9/18E	503,500 4,457,844 4,443,200 8,901,044 12/18E	500,500 11,281,232 16,013,761 27,294,993 2018E	510,510 17,245,73; 18,598,67; 35,844,410 2019E
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA //Y Growth	4,524,000 6,281,000 10,805,000 2015A	7,327,000 8,117,000 15,444,000 2016A 32.9%	1,841,000 2,435,000 4,276,000 3/17A	492,000 1,852,000 2,633,000 4,485,000 6/17A	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3%	492,875 8,536,000 11,478,000 20,014,000 2017A 28.1%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1%	4,457,844 4,443,200 8,901,044 12/18E	500,500 11,281,232 16,013,761 27,294,993 2018E 28.0%	510,510 17,245,73 18,598,67 35,844,41 2019E
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA //Y Growth SMV Vet sales	4,524,000 6,281,000 10,805,000	7,327,000 8,117,000 15,444,000 2016A	1,841,000 2,435,000 4,276,000 3/17A	492,000 1,852,000 2,633,000 4,485,000 6/17A	1,477,000 2,912,000 4,389,000 9/17A	495,500 3,366,000 3,498,000 6,864,000 12/17A	492,875 8,536,000 11,478,000 20,014,000 2017A	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4%	499,500 2,582,844 3,840,164 6,423,007 6/18E	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2%	503,500 4,457,844 4,443,200 8,901,044 12/18E	500,500 11,281,232 16,013,761 27,294,993 2018E 28.0% 32.9%	510,51 17,245,73 18,598,67 35,844,41 2019E
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA //Y Growth	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2%	7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3% 38.2%	492,875 8,536,000 11,478,000 20,014,000 2017A 28.1% 30.8%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6%	500,500 11,281,232 16,013,761 27,294,993 2018E 28.0%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA If Growth SMV Net sales Vet sales, ex-WFM	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 20,2%	7,327,000 8,117,000 15,444,000 2016A 32,9% 27,1%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8%	1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3% 38.2% 27.9%	492,875 8,536,000 11,478,000 20,014,000 2017A 28.1% 30.8% 26.5%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8% 28.9%	2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9%	4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8%	11,281,232 16,013,761 27,294,993 2018E 28.0% 32.9% 26.8%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (IY Growth SMV Not sales Not sales, ex-WFM Online Stores Physical Stores Retail third-party seller services	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% NA 36,9%	7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9%	1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6% 14.6% NA 34.1%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 16.6% NA 37.5%	1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8% 22.2% NA 40.3%	3,366,000 3,498,000 6,864,000 12/17A 33.3% 27.9% 19.7% NA 41.1%	492,875 8,536,000 11,478,000 20,014,000 2017A 28.1% 30.8% 26.5% 18.5% NA 38.7%	2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 20.3% NA 39.3%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8% 28.9% 20.4% NA 37.9%	2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% NA 35.6%	4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 15.6% 32.6%	11,281,232 16,013,761 27,294,993 2018E 28.0% 32.9% 26.8% 18.4% NA 35.9%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5 8.0 28.0
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (// Growth SMV let sales let sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7%	7,327,000 8,117,000 15,444,000 2016A 32.9% 27.19% 19.0% NA 42.9% 43.1%	1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6% 14.6% NA 34.1% 49.2%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 16.6% NA 37.5% 51.3%	1,477,000 2,912,000 4,389,000 9/17A 30.3% 29.8% 22.2% NA 40.3% 59.3%	3,366,000 3,498,000 6,864,000 12/17A 33.3% 27.9% 19.7% NA 41.1% 49.2%	492,875 8,536,000 11,478,000 20,014,000 2017A 28.1% 30.8% 26.5% 18.5% NA 38.7% 52.0%	2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 20.3% NA 39.3% 50.3%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8% 28.9% 20.4% NA 37.9% 48.9%	2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% NA 35.6% 46.6%	4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 15.6% 7.6% 32.6% 41.6%	11,281,232 16,013,761 27,294,993 2018E 28,0% 32,9% 26,8% 18,4% NA 35,9% 46,2%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5 8.0 28.0 35.0
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA /// Growth MV let sales, ox-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS	477,000 4,524,000 6,281,000 10,805,000 2015A 20.2% 12.2% 12.2% NA 36.9% 61.7% 69.7%	7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 27.1% 19.0% NA 42.9% 43.1% 55.1%	1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6% 14.6% NA 34.1% 49.2%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1%	1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8% NA 40.3% 59.3% 41.9%	3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% NA 41,1% 49,2% 44,6%	492,875 8,536,000 11,478,000 20,014,000 2017A 28,1% 30,8% 26,5% 18,5% NA 38,7% 52,0% 42,9%	2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% NA 39.3% 50.3% 45.3%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8% 20.4% NA 37.9% 48.9% 42.9%	2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% NA 35.6% 46.6% 39.6%	4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 7.6% 32.6% 37.6% 37.6%	11,281,232 16,013,761 27,294,993 2018E 28,0% 32,9% 26,8% 18,4% NA 35,9% 46,2% 41,0%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5 8.0 28.0 35.0 35.0 32.5
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA If Y Growth MV Vet sales Vet sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% AA,36,9% 61,7% 69,7% 29,3%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% 42.9% 43.1% 55.1% 72.5%	1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6% 14.6% NA 34.1% 49.2% 56.0%	1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 16.6% NA 37.5% 51.3% 42.1% 51.0%	1,477,000 2,912,000 4,389,000 9/17A 30,3% 33,7% 29.8% 22,2% NA 40,3% 59,3% 41,9% 58,4%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% NA 41,1% 49,2% 44,6% 62,0%	492,875 8,536,000 11,478,000 20,014,000 2017A 28.1% 30.8% 26.5% 18.5% 18.5% 52.0% 42.9% 57.7%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 20.3% A0.39.3% 50.3% 45.3% 68.3%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8% 20.4% NA 37.9% 48.9% 42.9% 70.4%	2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% 46.6% 46.6% 66.6%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 15.6% 7.6% 32.6% 41.6% 37.6% 64.1%	11,281,232 16,013,761 27,294,993 2018E 28.0% 32.9% 26.8% 18.4% 46.2% 41.0% 66.8%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5 80 32.5.5 47.5
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA /// Growth MV let sales, ox-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS	477,000 4,524,000 6,281,000 10,805,000 2015A 20.2% 12.2% 12.2% NA 36.9% 61.7% 69.7%	7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 27.1% 19.0% NA 42.9% 43.1% 55.1%	1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6% 14.6% NA 34.1% 49.2%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1%	1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8% NA 40.3% 59.3% 41.9%	3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% NA 41,1% 49,2% 44,6%	492,875 8,536,000 11,478,000 20,014,000 2017A 28,1% 30,8% 26,5% 18,5% NA 38,7% 52,0% 42,9%	2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% NA 39.3% 50.3% 45.3%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8% 20.4% NA 37.9% 48.9% 42.9%	2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% NA 35.6% 46.6% 39.6%	4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 7.6% 32.6% 37.6% 37.6%	11,281,232 16,013,761 27,294,993 2018E 28,0% 32,9% 26,8% 18,4% NA 35,9% 46,2% 41,0%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.7 21.7 14.5 28.0 35.0 35.0 47.5 20.7
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA I/Y Growth SMV Vet sales Vet sales, ox-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7% 69,7% 29,3% 26,1%	484,000 7,327,000 8,117,000 15,444,000 2016A 27,1% 27,1% 19,0% 43,1% 55,1% 72,5% 27,6%	1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6% 22.6% 14.6% NA 34.1% 49.2% 42.7% 56.0% 24.3%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 16.6% NA 37.5% 42.1% 51.3% 42.1%	1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8% 0.00 1,100 1	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 19,7% NA 41,1% 49,2% 44,6% 62,0% 35,7% 25,4%	492,875 8,536,000 11,478,000 20,014,000 2017A 28,1% 30,8% 26,5% 18,5% NA 38,7% 52,0% 42,9% 57,7% 30,6%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 20.3% NA 39.3% 65.3% 65.3% 68.3% 38.1%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,9% 70,4% 37,8%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 18.6% NA 35.6% 46.6% 39.6% 66.6% 31.6%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21,0% 22,6% 23,8% 15,6% 7,6% 41,6% 37,6% 64,1% 21,1%	11,281,232 16,013,761 27,294,993 2018E 28,0% 32,9% 26,8% 18,4% 18,4% 46,2% 41,0% 66,8% 30,7%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5 8.0 28.0 35.0 35.0 32.5
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (IY Growth MV Not sales Vet sales, ex-WFM Online Stores Physical Stores Retail bird-party seller services Retail subscription services AWS Other Vet sales FXN Other SEX	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7% 69,7% 29,3% 26,1% 26,1%	7,327,000 7,327,000 15,444,000 2016A 32,9% 27,1% 19,0% NA 42,9% 43,1% 55,1% 72,5% 27,6%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6% 14.6% NA 34.1% 49.2% 56.0% 24.3%	492,000 1.852,000 2.633,000 6/17A 24.3% 24.8% 16.6% NAA 37.5% 51.3% 42.1% 51.0% 26.5%	1,477,000 2,912,000 4,389,000 9/17A 30,3% 29,8% 22,2% NA 40,3% 59,3% 41,9% 58,4% 33,3% 29,4%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 19,7% NA 41,1% 49,2% 44,6% 62,0% 35,7%	492,875 8,536,000 20,014,000 2017A 28,1% 30,8% 26,5% 18,5% NAA 38,7% 52,0% 42,9% 57,7% 30,6% 26,4%	497,500 2.038,449 3.537,707 5.576,157 3/18E 34.2% 41.4% 29.1% 20.3% NA 39.3% 68.3% 38.1% 25.8%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8% 28.9% 20.4% A37.9% 48.9% 42.9% 70.4% 37.8% 26.0%	2.202.095 4.192.690 6.394.784 9/18E 28.1% 33.2% 26.9% 18.6% AA 35.6% 46.6% 39.6% 66.6% 31.6% 25.3%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 32.6% 32.6% 41.6% 37.6% 64.1% 21.1% 22.2%	11,281,232 11,281,232 16,013,761 27,294,993 2018E 28.0% 26.8% 18.4% NAA 35.9% 46.2% 41.0% 66.8% 30.7% 24.5%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 14.5 8.0 28.0 32.5 47.5 20.7 21.7 17.7 18.2
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA I'l' Growth MV Vet sales Net sales, ex-WFM Online Stores Physical Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Vet sales FXN Vet sales FXN Vet sales STXN Vet sa	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7% 69,7% 29,3% 26,1% 26,1% 24,4%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9% 43.1% 55.1% 72.5% 27.6% 23.2% 35.0%	1,841,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 14,6% NA 34,1% 49,2% 42,7% 56,0% 24,3%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24,3% 24,8% 76,5% 51,3% 42,1% 51,3% 42,1% 52,5% 22,2% 29,3% 22,5% 22,3%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30,3% 29,2% NA 40,3% 59,3% 41,9% 58,4% 29,6% 41,4% 48,4%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% NA 41,1% 49,2% 44,6% 62,0% 35,7% 32,9% 48,5% 57,7%	492,875 8,536,000 11,478,000 20,014,000 2017A 28.1% 30.8% 42.9% 52.0% 42.9% 57.7% 50.6% 26.8% 38.2% 43.5%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 60.3% 60.3% 45.3% 68.3% 38.1% 25.8% 38.0% 47.3% 69.9%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 28,9% 48,9% 48,9% 48,9% 42,9% 37,8% 26,0% 37,4% 46,2% 63,7%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% 46.6% 39.6% 66.6% 31.6% 30.9% 37.1% 41.2%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 41.6% 37.6% 64.1% 21.1% 21.1% 21.18% 24.0% 24.0%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 29,9% 48,2% 41,0% 66,8% 30,6% 30,6% 30,6% 43,0%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 14.5 8.0 28.0 32.5 47.5 20.7 18.2 24.7 18.2
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (// Growth MV tet sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Vet sales FXN Marketing	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 12,2% 16,17% 69,7% 29,3% 26,1% 26,1% 14,2% 34,8% 24,4% 20,3%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% 43.1% 55.1% 72.5% 27.6% 27.6% 27.6% 31.2% 31.2% 36.5%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 22,6% 4,6% 14,6% 14,6% 14,6% 49,2% 42,7% 56,0% 24,3% 24,3% 24,3% 29,4% 27,0% 32,3%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 16.6% NAA 37.5% 51.3% 42.18% 51.0% 26.5% 26.5% 26.5% 22.2% 29.3% 32.6% 43.0%	1,477,000 2,912,000 4,389,000 9/17A 30,3% 22,8% 62,2% NA 40,3% 59,3% 59,3% 29,4% 29,4% 41,4% 41,4% 41,4% 41,8%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% 44,6% 62,0% 35,7% 25,4% 32,9% 48,5% 57,7%	492,875 8,536,000 11,478,000 20,014,000 2017A 28,1% 30,8% 26,5% 18,5% 18,5% 18,5% 18,5% 26,5% 26,5% 26,5% 26,4% 29,5% 26,4% 26,8% 26,4% 26,8% 38,2% 41,5% 38,3%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34,2% 41,4% 20,3% NA 43,3% 68,3% 45,3% 68,3% 38,1% 25,8% 47,3% 69,9%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33.2% 40.8% 20.9% 20.4% 48.9% 42.9% 70.4% 37.9% 46.0% 37.4% 46.2% 63.7% 49.1%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 18.6% 18.6% 46.6% 39.6% 66.6% 25.3% 30.9% 37.1% 41.2%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 22.6% 32.6% 41.6% 32.6% 41.6% 37.6% 64.1% 22.18% 24.0%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 18,4% 18,4% 41,0% 46,2% 41,0% 42,5% 20,6% 43,0% 36,8% 43,0% 38,6%	510,51 17,245,73 18,598,67 35,844,41 2019E 20,57 21,7 14,5, 8,0 28,0 35,0 35,0 20,7 21,7 18,2 20,7 21,7 18,2 24,7 16,4 28,3 20,7 21,7
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth MV Not sales Not sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services Retail subscription services AWS Other Not sales FXN Vet sales FXN Vet sales FXN Cost of sales Joross profit Fulfillment Marketing Technology and content	477,000 4,524,000 6,281,000 10,305,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7% 69,7% 29,3% 26,1% 14,2% 34,8% 24,4% 20,3% 33,6%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9% 43.1% 57.25% 27.6% 23.2% 31.2% 36.5% 27.4%	490,000 1.841,000 2.435,000 4.276,000 3/17A 21.5% 22.6% 22.6% NA 34.1% 49.2% 42.7% 42.7% 42.7% 24.3% 24.3% 24.3% 27.0% 32.3% 36.2%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1% 42.1% 42.1% 42.5% 22.2% 29.3% 43.0% 42.0%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 22.2% NA 40.3% 59.3% 41.9% 42.96% 41.4% 48.4% 41.4% 41.6%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 19,7% NA 41,1% 49,2% 44,6% 62,0% 55,7% 52,54% 57,7% 36,5%	492,875 8,536,000 11,478,000 20,014,000 2017A 28,1% 30,8% 18,5% NA 38,7% 52,0% 42,9% 47,7% 52,0% 43,5% 38,2% 43,5% 38,3% 40,8%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% NA 39.3% 60.3% 45.3% 68.3% 38.0% 47.3% 69.9% 54.9%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,9% 42,9% 42,9% 63,7% 46,2% 63,7% 49,1%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28,1% 33,2% 26,9% 18,6% 46,6% 39,6% 46,6% 39,6% 46,6% 39,6% 41,2% 30,9% 37,1% 37,1% 37,1% 37,1% 37,1% 37,1% 37,1%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.8% 22.1.8% 24.0% 18.6% 26.1% 26.1%	500,500 11,281,232 16,013,761 27,224,993 2018E 28,0% 22,9% 18,4% NA 55,9% 46,2% 41,0% 46,8% 30,7% 24,5% 30,6% 38,8% 43,0% 38,8% 43,0% 38,8% 43,0% 38,8%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5 8.0 28.0 35.0 35.0 22.7 18.2 24.7 16.4 28.3 22.5
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA TYY Growth SMV Net sales Net sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail third-party seller services Retail subscription services AWS Other Net sales FXN Net sales FXN Let sales FXN Ext sales FXN Ext sales FXN Ext sales FXN Test sales Tross profit Fulfillment Marketing Technology and content General and administrative	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7% 69,7% 29,3% 26,1% 24,4% 24,4% 24,4% 20,3% 33,6% 31,6%	7,327,000 8,117,000 15,444,000 2016A 22,9% 27,1% 27,1% 19,0% NA 42,9% 43,1% 55,1% 72,5% 27,6% 23,2% 36,0% 31,2% 36,5% 27,6% 31,2% 36,5% 37,0%	1,841,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% NA 34,1% 49,2% 42,7% 56,00% 24,3% 26,3% 26	1,852,000 2,633,000 4,485,000 6/17A 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1% 26.5% 22.2% 29.3% 32.65% 43.0% 43.0%	1,477,000 1,477,000 2,912,000 4,389,000 9/17A 30,3% 29,8% 22,2% NA 40,3% 59,3% 41,9% 58,4% 29,6% 41,4% 41,8% 41,8% 41,8%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% NA 41,1% 49,2% 44,6% 62,0% 45,5% 40,1% 40,1%	492,875 8,536,000 11,478,000 20,014,000 2017A 28,1% 30,8% 26,5% 18,5% NA 38,7% 52,0% 42,9% 57,7% 30,6% 26,8% 38,2% 43,5% 43,5% 43,5% 43,5% 43,5% 43,5% 43,5% 44,5,5%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 0.3% NA 39.3% 50.3% 45.3% 68.3% 45.3% 68.3% 47.3% 69.9% 54.9% 38.6% 31.4%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 42,9% 70,4% 37,8% 26,0% 46,2% 63,7% 49,1% 32,6% 49,1%	\$01,500 2,202,095 4,192,690 6,394,784 9/18E 28,1% 33,2% 26,9% 18,6% NA 35,6% 46,6% 31,6% 25,3% 30,9% 37,1% 41,2% 37,9% 37,9% 37,7%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 7.6% 7.6% 32.6% 41.6% 37.6% 64.1% 21.1% 22.2% 24.0% 18.6% 26.1% 26.1% 26.1%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 28,8% 18,4% NA 35,9% 46,2% 41,0% 66,8% 30,0% 24,5% 30,6% 30,6% 30,6% 30,6% 31,7%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5 8.0 28.0 35.0 32.5 47.5 20.7 21.7 18.2 24.7 18.2 24.7 18.2 28.3 29.5 20.7 21.7 21.7 21.7 21.7 22.7 22.7 21.7 22.7 22.7 22.7 23.7 24.7 24.7 24.7 26.7 27.7 2
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth MV Not sales Not sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services Retail subscription services AWS Other Not sales FXN Vet sales FXN Vet sales FXN Cost of sales Joross profit Fulfillment Marketing Technology and content	477,000 4,524,000 6,281,000 10,305,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7% 69,7% 29,3% 26,1% 14,2% 34,8% 24,4% 20,3% 33,6%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9% 43.1% 57.25% 27.6% 23.2% 31.2% 36.5% 27.4%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 22,6% NA 34,1% 49,2% 42,7% 42,7% 42,7% 42,7% 42,7% 42,7% 56,0% 24,3% 22,6% 24,3% 22,6% 32,3% 36,2%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1% 42.1% 42.1% 42.5% 22.2% 29.3% 43.0% 42.0%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 22.2% NA 40.3% 59.3% 41.9% 42.96% 41.4% 48.4% 41.4% 41.6%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 19,7% NA 41,1% 49,2% 44,6% 62,0% 55,7% 52,54% 57,7% 36,5%	492,875 8,536,000 11,478,000 20,014,000 2017A 28,1% 30,8% 18,5% NA 38,7% 52,0% 42,9% 47,7% 52,0% 43,5% 38,2% 43,5% 38,3% 40,8%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% NA 39.3% 60.3% 45.3% 68.3% 38.0% 47.3% 69.9% 54.9%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,9% 42,9% 42,9% 63,7% 46,2% 63,7% 49,1%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28,1% 33,2% 26,9% 18,6% 46,6% 39,6% 46,6% 39,6% 46,6% 39,6% 41,2% 30,9% 37,1% 37,1% 37,1% 37,1% 37,1% 37,1% 37,1%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.8% 22.1.8% 24.0% 18.6% 26.1% 26.1%	500,500 11,281,232 16,013,761 27,224,993 2018E 28,0% 22,9% 18,4% NA 55,9% 46,2% 41,0% 46,8% 30,7% 24,5% 30,6% 38,8% 43,0% 38,8% 43,0% 38,8% 43,0% 38,8%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 14.5 8.0 35.0 32.5 47.5 20.7 18.2 20.7 16.4 28.3 29.7 20.7 21.7 20.7 2
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (// Growth MV let sales Vet sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Vet sales EXN, ex-WFM Cost of sales Cost of sales Toes profit Fulfillment Marketing Technology and content General and administrative Folaci cash operating expenses Departing income Ven-GAAP Operating income On-GAAP Operating income OperaGAAP Operating income (CSOI)	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 61,7% 69,7% 29,3% 26,1% 26,1% 24,4% 20,3% 33,6% 24,4% 20,3% 33,6% 12,0% 15,0% 15,0% 15,0% 15,0% 15,0% 26,2%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% A4.29% 43.1% 55.1% 72.5% 27.6% 27.6% 27.6% 31.2% 33.0% 31.1% 87.5% 62.0%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21.5% 22.6% 22.6% 44.6% 49.2% 42.7% 56.0% 24.3% 29.4% 27.0% 33.0% 66.2% 60.4%	492,000 1,852,000 2,633,000 4,495,000 6/17A 24,3% 16,6% 16,6% 42,1% 51,0% 22,2% 26,5% 22,2% 26,5% 22,2% 38,9% 42,0% 43,0% 43,0% 42,0% 51,9% 38,9% 51,1%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 22.2% 40.3% 59.3% 41.9% 58.4% 29.4% 42.4% 44.4% 44.5% 65.1% 66.8%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3% 19.7% 19.7% 49.2% 44.1% 62.0% 55.7% 55.7% 46.5% 67.7% 68.5% 60.1% 67.7% 68.5% 69.5% 69.5% 69.5% 69.5%	492,875 8,536,000 11,478,000 20,014,000 2017A 28,1% 30,8% 26,5% 18,5% 18,5% 18,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,7% 26,5% 26,5% 26,7% 26,5%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34,2% 41,4% 20,1% 20,3% 45,3% 68,3% 38,1% 25,8% 47,3% 69,9% 38,6% 31,4% 53,2% -2,1%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 28,9% 20,4% 48,9% 42,9% 70,4% 37,9% 46,2% 63,7% 46,2% 63,7% 49,1% 32,6% 29,9% 47,2% 119,0% 39,5%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 18.6% 46.6% 39.6% 46.6% 25.3% 30.9% 41.2% 37.1% 41.2% 37.9% 30.7% 42.0% 42.0% 42.0% 42.0% 43.5% 44.0% 44.0% 45.5% 46.0% 4	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 32.6% 32.6% 41.6% 32.6% 41.6% 22.2% 42.6% 64.1% 22.2% 24.0% 18.6% 26.1% 26.7% 19.4% 22.4% 41.0% 32.4%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 18,4% 18,4% 14,0% 66,8% 30,07% 34,5% 30,6% 31,7% 25,7% 37,5% 51,8%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 14.5 80.6 80.6 22.5 47.5 21.7 16.4 28.3 22.5 19.7 20.6 83.3 52.9
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth MV let sales Not sales, ex-WFM Online Stores Physical Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other let sales FXN vet sales FXN Cost of sales Tocs profit Fulfillment Marketing Technology and content General and administrative Toflal cash operating expenses Deparating income von-GAAP Operating income (CSOI) JAAP Net income	477,000 4,524,000 6,281,000 10,305,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7% 69,7% 29,3% 26,1% 24,4% 20,3% 33,6% 12,0% 12,0% 150,2% 150,2%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9% 43.1% 55.1% 57.6% 23.2% 36.5% 27.6% 23.2% 36.5% 27.4% 39.0% 31.1% 87.5% 62.0% 62.0%	490,000 1.841,000 2.435,000 4.276,000 3/17A 21.5% 22.6% 22.6% 14.6% NA 34.1% 49.2% 42.7% 42.7% 42.7% 56.0% 24.3% 27.0% 32.3% 36.2% 60.4% 33.0% -6.2% 10.9%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1% 51.0% 26.5% 22.2% 23.6% 43.0% 42.0% 51.9% 32.6% 43.0% 42.0% 51.9% 33.6% 51.1% 51.1% 51.1%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8% NA 40.3% 59.3% 41.9% 41.4% 48.4% 41.4% 48.4% 41.6% 43.37% 63.37% 63.37% 66.8% 6.8% 6.8%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% NA 41,1% 49,2% 44,6% 32,9% 45,5% 57,7% 36,5% 40,1% 47,5% 69,5% 54,7%	492,875 8,536,000 11,478,000 20,014,000 2017A 281% 30.8% 26.5% NA 38.7% 52.0% 42.9% 42.9% 43.5% 38.2% 43.5% 38.3% 40.8% 52.7% 52.1% 53.5% 54.5% 55.5% 56.5% 57.7% 58.5% 58.2% 58.2% 58.2% 58.5% 58.2% 58.5% 58.2% 58.5% 58.2% 58.5% 58.2% 58.5	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% AA AB AB AB AB AB AB AB AB AB	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,9% 42,9% 42,9% 43,7% 46,2% 63,7% 49,1% 32,6% 29,9% 41,9% 39,5% 334,8%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% NA 35.6% 46.6% 39.6% 46.6% 39.6% 41.2% 41.2% 41.2% 41.2% 41.9% 35.9% 47.9% 47.9% 49.1%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.9% 42.1% 42.1% 42.1% 42.1% 42.1% 43.4% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0% 41.0%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 22,9% 18,4% NA 35,9% 46,2% 41,0% 40,0% 30,7% 24,5% 30,6% 33,7% 25,7% 37,5% 51,8% 32,2% 32,2%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 14.5 8.0 35.0 32.5 47.5 20.7 18.2 24.7 16.4 28.3 22.5 19.7 20.6 20.7 21.7 21.7 21.7 21.7 22.7 2
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization BITDA /// Growth BMV Vet sales Vet sales, ex-WFM Online Stores Physical Stores Retail subscription services Retail subscription services AWS Other Vet sales FXN, ex-WFM Cost of sales FXN, ex-WFM Cost of sales Gross profit Fulfilment Marketing Technology and content General and administrative Total cash operating expenses Doperating income Non-GAAP Operating income (CSOI) 3AAP Net income Non-GAAP Net income	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 12,2% 16,1% 26,1% 26,1% 24,4% 20,3% 33,6% 12,0% 12,0% 15,0,5% 150,2% NA 115,2%	484,000 7,327,000 8,117,000 15,444,000 2016A 22,9% 27,1% 19,0% NA 42,9% 43,1% 55,1% 72,5% 27,6% 23,2% 36,5% 27,4% 39,0% 31,1% 62,0% 29,2%	1,841,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% NA 34,1% 49,2% 42,7% 56,0% 24,3% 24,3% 24,3% 24,3% 29,4% 29,4% 30,0% 30,	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 16.6% NAA 37.5% 51.3% 42.18% 51.0% 26.5% 26.5% 22.2% 29.3% 42.0% 51.9% 15.1% -7.7% -7.7%	1,477,000 2,912,000 4,389,000 9/17A 30,3% 33,7% 29,8% 22,2% NA 40,3% 59,3% 41,9% 58,4% 41,9% 58,4% 41,8% 44,5% 68,4% 68,4% 68,4% 68,6% 68,6%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% NA 41,1% 49,2% 44,6% 62,0% 45,7% 36,5% 40,1% 47,4% 47,5% 64,7% 47,5% 64,7% 47,5% 64,7%	492,875 8,536,000 11,478,000 20,014,000 20,17A 28,1% 30,8% 26,5% 18,5	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 20.3% NA 39.3% 50.3% 45.3% 68.3% 45.3% 68.3% 47.3% 69.9% 54.9% 38.6% 31.4% 53.2% 10.7% -2.1% 10.7%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% 8,9% 44,9% 70,4% 42,9% 77,4% 49,1% 37,8% 49,1% 32,6% 49,1% 40,	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% 46.6% 46.6% 25.3% 30.9% 37.1% 41.2% 37.9% 41.2% 49.1% 74.8% 27.8%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 22.6% 32.6% 32.6% 41.6% 22.2% 41.6% 22.2% 18.6% 24.0% 18.6% 24.1% 24.1% 24.1% 24.1% 24.1% 24.1% 24.1% 25.1% 26.1	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 18,4% 18,4% 14,0% 66,8% 41,0% 66,8% 41,0% 96,8% 41,0% 97,5% 97,5% 97,5% 92,2% 92,2% 92,2%	17,245,73 18,598,67 18,598,67 35,844,41 2019E 20.5 20.7 14.5 80.0 28.0 32.5 47.5 20.7 21.7 16.4 28.3 22.5 19.7 20.6 33.3 52.9 103.3
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth MV Vet sales Vet sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Vet sales FXN Vet sales RX	477,000 4,524,000 6,281,000 10,305,000 2015A 25,4% 20,2% 12,2% NA 36,9% 61,7% 69,7% 29,3% 26,1% 24,4% 20,3% 33,6% 12,0% 12,0% 150,2% 150,2%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9% 43.1% 55.5% 27.6% 23.2% 36.5% 27.6% 31.2% 36.5% 27.4% 39.0% 31.1% 87.5% 62.0% 62.0%	490,000 1.841,000 2.435,000 4.276,000 3/17A 21.5% 22.6% 22.6% 14.6% NA 34.1% 49.2% 42.7% 42.7% 42.7% 56.0% 24.3% 27.0% 32.3% 36.2% 60.4% 33.0% -6.2% 10.9%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1% 51.0% 26.5% 22.2% 23.6% 43.0% 42.0% 51.9% 32.6% 43.0% 42.0% 51.9% 33.6% 51.1% 51.1% 51.1%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8% NA 40.3% 59.3% 41.9% 41.4% 48.4% 41.4% 48.4% 41.6% 43.37% 63.37% 63.37% 66.8% 6.8% 6.8%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% NA 41,1% 49,2% 44,6% 32,9% 45,5% 57,7% 36,5% 40,1% 47,5% 69,5% 54,7%	492,875 8,536,000 11,478,000 20,014,000 2017A 281% 30.8% 26.5% NA 38.7% 52.0% 42.9% 42.9% 43.5% 38.2% 43.5% 38.3% 40.8% 52.7% 52.1% 53.5% 54.5% 55.5% 56.5% 57.7% 58.5% 58.2% 58.2% 58.2% 58.5% 58.2% 58.5% 58.2% 58.5% 58.2% 58.5% 58.2% 58.5	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% AA AB AB AB AB AB AB AB AB AB	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,9% 42,9% 42,9% 43,7% 46,2% 63,7% 49,1% 32,6% 29,9% 41,9% 39,5% 334,8%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% NA 35.6% 46.6% 39.6% 46.6% 39.6% 41.2% 41.2% 41.2% 41.2% 41.9% 35.9% 47.9% 47.9% 49.1%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.9% 42.1% 42.1% 42.1% 42.1% 42.1% 43.4% 41.0%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 22,9% 18,4% NA 35,9% 46,2% 41,0% 40,0% 30,7% 24,5% 30,6% 33,7% 25,7% 37,5% 51,8% 32,2% 32,2%	17,245,73 18,598,67 18,598,67 35,844,41 2019E 20.5 20.7 14.5 80.0 28.0 32.5 47.5 20.7 21.7 16.4 28.3 22.5 19.7 20.6 33.3 52.9 103.3
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (IV Growth MV Vet sales Vet sales, ex-WFM Online Stores Physical Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Vet sales FXN Vet sales FXN Vet sales STAN First Stores Retail subscription services AWS Other Testail Stores First Stores Retail subscription services AWS Other Vet sales FXN Vet sales FXN Vet sales FXN, ex-WFM Cost of sales Gross profit Fulfillment Marketing Technology and content General and administrative Total cash operating expenses Joperating income Non-GAAP Operating income Non-GAAP Poperating income Non-GAAP Net income Non-GAAP Net income SilTDA Vet Of Revenues	477,000 4,524,000 6,281,000 10.805,000 2015A 25,4% 20,2% 72,2% 61,7% 69,7% 29,3% 26,1% 24,4% 20,3% 31,6% 12,0% 24,4% 20,3% 115,45% 150,2% 1154,5% 150,2% 64,9%	484,000 7,327,000 8,117,000 15,444,000 2016A 22.9% 27.1% 19.0% NA 42.9% 43.1% 55.1% 72.5% 27.6% 23.2% 35.0% 31.2% 36.5% 27.4% 39.0% 31.1% 87.5% 62.0% 29.8% 42.9%	1,841,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% NA 34,1% 49,2% 42,7% 56,0% 24,3% 24,3% 24,3% 24,3% 29,4% 29,4% 30,0% 30,	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 16.6% 16.6% 51.3% 42.1% 52.5% 22.2% 29.3% 32.6% 43.0% 42.0% 51.9%	1,477,000 2,912,000 4,389,000 9/17A 30,3% 33,7% 29,8% 22,2% NA 40,3% 59,3% 41,9% 58,4% 41,9% 58,4% 41,8% 44,5% 68,4% 68,4% 68,4% 68,6% 68,6%	495,500 3,366,000 3,388,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% NA 41,1% 49,2% 44,6% 62,0% 45,7% 36,5% 47,4% 47,4% 47,4% 68,5% 54,7% 147,8% 55,7% 55,7% 56,7% 56,5% 57,7% 56,5% 57,7% 56,5% 57,7% 57,7% 58,5% 58,5% 58,5%	492,875 8,536,000 11,478,000 20,014,000 2017A 281% 30.8% 261% 52.0% 52.0% 52.0% 52.7% 52.6% 53.3% 52.7% 52.7% 52.7% 52.7% 53.3% 52.7% 52.7% 52.7% 53.3% 52.7%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 60.3% 60.3% 45.3% 68.3% 68.3% 38.0% 47.3% 69.9% 64.9% 31.4% 53.2% 69.9% 64.9% 31.4% 53.2% 69.3%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% 8,9% 44,9% 70,4% 42,9% 77,4% 49,1% 37,8% 49,1% 32,6% 49,1% 40,	501,500 2,202,095 4,192,690 6,394,784 9/18E 28,1% 33,2% 26,9% 18,6% 46,6% 46,6% 47,16% 39,6% 47,19% 49,19% 41,2% 49,19% 41,2% 49,19% 45,7%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 7.6% 41.6% 37.6% 41.6% 37.6% 22.1% 24.0% 18.6% 26.1% 24.0% 18.6% 25.1% 24.0% 18.6% 25.1% 24.0% 18.6% 26.1% 27.1% 29.7%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 28,9% 48,2% 48,2% 40,0	510,51 17,245,7: 18,598,6: 35,844,4: 2019E 20.5. 20.7. 14.5. 8.0 35.0 35.0 32.5. 47.5. 20.7. 18.2 24.7. 16.4. 28.3. 22.5.5. 20.6. 33.6. 21.7. 21
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth MV Vet sales Vet sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Vet sales FXN Vet sales RX	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 12,2% 16,1% 26,1% 26,1% 24,4% 20,3% 33,6% 12,0% 12,0% 15,0,5% 150,2% NA 115,2%	484,000 7,327,000 8,117,000 15,444,000 2016A 22,9% 27,1% 19,0% NA 42,9% 43,1% 55,1% 72,5% 27,6% 23,2% 36,5% 27,4% 39,0% 31,1% 62,0% 29,2%	1,841,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 14,6% 14,0% 22,6% 14,0%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 16.6% NAA 37.5% 51.3% 42.18% 51.0% 26.5% 26.5% 22.2% 29.3% 42.0% 51.9% 15.1% -7.7% -7.7%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30,3% 22,2% NA 40,3% 69,3% 41,9% 58,4% 29,6% 41,4% 48,4% 53,1% 46,2% 68,8% 68,4% 68,8% 68,9% 68,8% 68,9%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% NA 41,1% 49,2% 44,6% 62,0% 45,7% 36,5% 40,1% 47,4% 47,5% 64,7% 47,5% 64,7% 47,5% 64,7%	492,875 8,536,000 11,478,000 20,014,000 20,17A 28,1% 30,8% 26,5% 18,5	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 20.3% NA 39.3% 50.3% 45.3% 68.3% 45.3% 68.3% 47.3% 69.9% 54.9% 38.6% 31.4% 53.2% 10.7% -2.1% 10.7%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 28,9% 48,9% 48,9% 48,9% 49,9% 41,9% 37,8% 42,0% 37,4% 46,2% 47,2% 49,1% 39,5% 49,5% 40,5% 4	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% 46.6% 46.6% 25.3% 30.9% 37.1% 41.2% 37.9% 41.2% 49.1% 74.8% 27.8%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 22.6% 32.6% 32.6% 41.6% 22.2% 41.6% 22.2% 18.6% 24.0% 18.6% 24.1% 24.1% 24.1% 24.1% 24.1% 24.1% 24.1% 25.1% 26.1	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 18,4% 18,4% 14,0% 66,8% 41,0% 66,8% 41,0% 96,8% 41,0% 97,5% 97,5% 97,5% 92,2% 92,2% 92,2%	510,51 17,245,73 18,598,61 35,844,41 2019E 20.5 20.7 21.7 14.5 35.0 28.0 28.0 27.1 16.4 28.3 22.5 29.7 20.7 21.7 21.7 20.6 33.3 52.9 33.3 52.9 60.6
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (// Growth MV Vet sales Vet sales, ex-WFM Online Stores Physical Stores Retail subscription services Retail subscription services AWS Other Vet sales EXN, ex-WFM Cost of sales Cost of sales Technology and content General and administrative foal cash operating income Non-GAAP Operating income Oon-GAAP Operating income Oon-GAAP Operating income Oon-GAAP Operating income Oon-GAAP Income BITDA & Of Revenues Cost of sales Unifilment Marketing Airchiliment Marketing	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 61,7% 69,7% 29,3% 26,1% 24,4% 20,3% 33,6% 24,4% 20,3% 31,6% 12,0% 66,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 61,7% 69,7% 61,7% 62,7% 64,9% 67,0% 61,0% 67,0% 12,1%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% 43.1% 55.1% 72.5% 27.6% 27.	490,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 14,6% 14,6% 49,2% 42,7% 56,0% 24,3% 24,3% 24,3% 29,4% 33,0% -6,2% 60,4% 33,0% -6,2% 60,9% 41,1% 33,3% 22,6%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24,3% 16,6% 16,3% 16,6% 16,3% 42,1% 51,0% 22,2% 26,5% 26,5% 22,2% 42,0% 51,1% -77,0% -16,1% -77,0% 11,7% 61,8% 12,9%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 22.8% 22.8% 24.0.3% 59.3% 41.9% 58.4% 33.3% 29.45% 41.45% 62.8% 1.65% 29.7% 6.65%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3% 19.7% 19.7% 49.2% 44.1% 45.2% 46.5% 57.7% 55.5% 60.5% 54.7% 147.8% 55.3% 63.7% 14.4%	492,875 8,536,000 11,478,000 20,014,000 20,17A 28,1% 30,8% 26,5% 18,5% 18,5% 18,5% 18,5% 20,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 26,5% 27,9% 33,1% 29,6% 20,5% 20,5% 21,7% 22,7% 22,7% 23,1% 29,6% 25,7% 21,1% 29,6% 21,7% 22,7% 23,1% 29,6% 25,7% 21,7% 21,7% 22,7% 23,1% 29,6% 25,7% 21,7% 21,7% 21,7% 22,7% 23,1	497,500 2,038,449 3,537,707 5,576,157 3/18E 34,2% 41,4% 20,3% AA 39,3% 50,3% 45,3% 68,3% 38,1% 25,8% 38,1% 53,2% -2,1% 61,3% 30,4% 61,3% 61,3% 61,3% 61,3% 61,3%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,9% 20,4% 48,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 43,2% 63,7% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 60,3% 15,0% 60,3% 15,0%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 18.6% 46.6% 39.6% 46.6% 39.6% 41.2% 37.1% 41.2% 37.1% 41.2% 42.0% 45.7% 61.9% 56.1%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 22.6% 32.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 64.1% 62.7% 18.6% 64.1% 62.7% 18.6% 63.3% 63.3% 14.0% 63.3%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 18,4% 18,4% 40,2% 41,0% 66,8% 30,07% 24,5% 30,8% 43,0% 93,6% 31,7% 25,7% 37,5% 51,2% 32,2% 32,2% 32,2% 36,4%	510,5' 17,245,7' 18,598,6' 35,844,4' 2019E 20.9, 20.7, 14.5, 8.6, 8.6, 8.6, 8.6, 8.6, 8.6, 8.6, 8.6
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth SMV Let sales Vet sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Let sales FXN Let sales FXN Let sales FXN Let sales FXN Cost of sales Gross profit Fuffilment Marketing Marketing Technology and content General and administrative Fortal cash operating income Non-GAAP Operating income (CSOI) GAAP Net income BEITDA Ko of Revenues Zost of sales Fuffilment Marketing Cost of sales Fortal sa	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 12,2% 12,2% 14,2% 26,1% 26,1% 26,1% 26,1% 14,2% 15,2% 150,2% 150,2% 150,2% 64,9% 67,0% 67,0% 67,0% 12,1% 4,7% 10,6%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9% 43.1% 55.1% 72.5% 31.2% 36.5% 31.2% 36.5% 42.9% 42.9% 42.9% 43.1% 55.1% 62.5% 55.5% 55.5% 55.5%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 22,6% 14,6% NA 34,1% 49,2% 42,7% 56,0% 24,3% 27,0% 33,2% 60,4% 33,3% 41,1% 33,3% 22,6% 12,7% 51,1% 51,1%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.18% 51.0% 26.5% 22.2% 22.5% 22.6% 43.0% 42.0% 51.9% 38.9% -12.1% -14.1% 61.8% 61.8% 61.8% 61.8%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 22.2% NA 40.3% 59.3% 41.9% 68.4% 29.6% 41.4% 44.5% 63.1% 62.9% 6.8% 1.6% 29.7% 6.8% 1.6% 29.7%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3% 38.2% 27.9% NA 41.1% 49.2% 44.6% 62.0% 35.7% 52.54% 62.0% 35.7% 62.0% 36.5% 47.5% 64.7% 47.5% 65.5% 65.7% 14.4% 65.5%	492,875 8,536,000 11,478,000 20,014,000 20,17A 28,1% 30,8% 28,5% 18,5% NA 38,7% 52,0% 42,9% 57,7% 30,6% 43,5% 43,5% 44,5% 38,3% 40,8% 52,7% 42,1,9% 16,5% 17,9% 33,1% 27,9% 33,1% 28,6% 27,9% 33,1% 28,6% 38,3% 40,1,1,4% 54,1%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 42.0.3% NA 39.3% 68.3% 6	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,99% 42,99% 43,9% 42,9% 43,26% 63,7% 49,1% 46,2% 63,7% 49,1% 46,2% 63,7% 49,1% 60,3% 45,1% 45,1% 60,3% 45,1% 60,3% 6	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 18.6% NA 35.6% 46.6% 39.6% 46.6% 39.6% 47.8% 41.2% 30.7% 41.2% 41.2% 49.1% 45.7% 44.8% 45.7% 45.5% 45.5% 66.6% 46.6% 46.6% 47.8% 49.1	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 41.6% 32.6% 41.6% 32.6% 41.6% 21.1% 22.2% 18.6% 26.1% 19.4% 22.2% 40.0% 16.6% 32.4.0% 16.3% 32.6% 41.0% 32.4.0% 32.4.0% 41.0% 32.4.0% 41.0% 32.4.0% 41.0% 5.6% 63.3% 63.3%	500,500 11,281,232 16,013,761 27,294,993 2018E 28.0% 22.9% 18.4% NA 35.9% 46.2% 41.0% 66.8% 30.7% 24.5% 30.6% 30.6% 31.7% 25.7% 32.0% 21.2% 36.4% 32.0% 61.8% 61.8% 61.8% 61.8% 61.8% 61.8% 61.8% 61.8% 61.8%	510,5 17,245,7,1 18,588,6 35,844,4 2019E 20.0 20.1 14.5 8.0 28.6 20.7 21.7 18.2 20.7 21.7 18.3 24.1 26.6 35.6 35.6 35.6 35.6 36.7 37.1 37.1 37.1 37.1 37.1 37.1 37.1 37
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (IV Growth MV Vet sales Vet sales Vet sales (See See See See See See See See See Se	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 12,2% 16,1% 26,1% 26,1% 26,1% 24,4% 20,3% 33,6% 12,10% 15,52% 150,2% NA 115,2% 64,9% 67,0% 12,1% 4,7% 10,6%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% 42.9% 43.1% 72.5% 27.6% 27.5% 27.	490,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 22,6% 44,6% 49,2% 49,2% 42,7% 56,0% 24,3% 24,3% 24,3% 27,0% 33,3% 62,4% 60,4% 33,0% 62,5% 60,4% 51,1% 62,8% 12,7% 51,1%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 16.6% 16.8% 16.9% 12.1% 12.1% 12.1% 12.1% 13.1% 14.1% 15.1% 15.1% 15.1% 16.8% 12.1% 16.8% 12.1% 16.8% 12.1% 16.8% 12.1% 16.8% 12.9% 13.0% 12.9% 13.1% 12.9% 13.1% 13.0% 12.9%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 52.2% 59.3% 59.3% 59.3% 59.3% 59.3% 59.4% 40.4% 44.5% 53.1% 46.2% 48.4% 48.4% 44.5% 53.1% 6.8% 6.8% 6.8% 1.6% 29.7% 26.6%	495,500 3,366,000 3,388,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% 14,6% 62,0% 49,2% 44,6% 62,0% 46,5% 57,7% 36,5% 47,4% 47,4% 47,5% 68,5% 54,7% 147,8% 55,7% 55,7% 56,7% 147,8% 56,5% 51,7% 141,4%	492,875 8,536,000 11,478,000 20,014,000 20,17A 28,1% 30,8% 26,5% 18,5% 18,5% 18,5% 18,5% 18,5% 18,5% 26,5	497,500 2,038,449 3,537,707 5,576,157 3/18E 34,2% 41,4% 29,1% 20,3% NA 49,3% 50,3% 45,3% 45,3% 68,3% 38,1% 25,8% 38,0% 47,3% 38,6% 31,4% 53,2% 23,1% 33,4% 61,3% 30,4%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 42,9% 43,2% 63,7% 45,1% 32,6% 33,5% 35,5% 35,5% 59% 12,2%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% 46.6% 39.6% 66.6% 39.6% 46.8% 25.3% 30.7% 41.2% 37.1% 41.2% 37.1% 41.2% 49.1% 74.6% 45.7% 61.9% 15.0% 15.6% 15.6% 12.0%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 22.6% 32.6% 32.6% 41.6% 32.6% 41.6% 22.2% 41.6% 24.0% 18.6% 24.0% 19.4%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 18,4% 18,4% 41,0% 66,8% 41,0% 66,8% 31,7% 24,5% 32,0% 36,8% 43,0% 36,8% 41,0% 66,8% 31,7% 24,5% 32,2% 36,4% 61,8% 11,3% 11,7%	510,51 17,245,73 18,598,63 35,844,41 2019E 20.9 20.7 21.7 14.5,80 80.0 80.0 32.5,47.5,20 20.7 21.7 16.4 28.3 32.2 31.3 52.9 60.8 60.8 60.8 60.8 60.8 60.8 60.8 60.8
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (// Growth MV let sales Vet sales, ex-WFM Online Stores Physical Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Net sales FXN Net sales FXN Vet sales	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 12,2% 12,2% 14,2% 26,1% 26,1% 26,1% 26,1% 14,2% 15,2% 150,2% 150,2% 150,2% 64,9% 67,0% 67,0% 67,0% 12,1% 4,7% 10,6%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9% 43.1% 55.1% 72.5% 31.2% 36.5% 31.2% 36.5% 42.9% 42.9% 42.9% 43.1% 55.1% 62.5% 55.5% 55.5% 55.5%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 22,6% 14,6% NA 34,1% 49,2% 42,7% 56,0% 24,3% 27,0% 33,2% 60,4% 33,3% 41,1% 33,3% 22,6% 12,7% 51,1% 51,1%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.18% 51.0% 26.5% 22.2% 42.18% 12.6% 14.18% 15.6% 15.9% 16.6% 17.70 16.6% 11.7% 61.8% 12.9% 5.5% 11.9%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 22.2% NA 40.3% 59.3% 41.9% 68.4% 29.6% 41.4% 44.5% 63.1% 62.9% 6.8% 1.6% 29.7% 6.8% 1.6% 29.7%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3% 38.2% 27.9% NA 41.1% 49.2% 44.6% 62.0% 35.7% 52.54% 62.0% 35.7% 62.0% 36.5% 47.5% 64.7% 47.5% 65.5% 65.7% 14.4% 65.5%	492,875 8,536,000 11,478,000 20,014,000 20,17A 28,1% 30,8% 28,5% 18,5% NA 38,7% 52,0% 42,9% 57,7% 30,6% 43,5% 43,5% 44,5% 38,3% 40,8% 52,7% 42,1,9% 16,5% 17,9% 33,1% 27,9% 33,1% 28,6% 27,9% 33,1% 28,6% 38,3% 40,1,1,4% 54,1%	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 42.0.3% NA 39.3% 68.3% 6	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,99% 42,99% 43,9% 42,9% 43,26% 63,7% 49,1% 46,2% 63,7% 49,1% 46,2% 63,7% 49,1% 60,3% 45,1% 45,1% 60,3% 45,1% 60,3% 6	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 18.6% NA 35.6% 46.6% 39.6% 46.6% 39.6% 47.8% 41.2% 30.7% 41.2% 41.2% 49.1% 45.7% 44.8% 45.7% 45.5% 45.5% 66.6% 46.6% 46.6% 47.8% 49.1	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 41.6% 32.6% 41.6% 32.6% 41.6% 21.1% 22.2% 18.6% 26.1% 19.4% 22.2% 40.0% 16.6% 32.4.0% 16.3% 32.6% 41.0% 32.4.0% 32.4.0% 41.0% 32.4.0% 41.0% 32.4.0% 41.0% 5.6% 63.3% 63.3%	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 18,4% NA 35,9% 46,2% 41,0% 66,8% 30,7% 30,6% 31,7% 24,5% 30,6% 31,7% 56,8% 42,0% 31,7% 51,8% 42,0% 56,8% 41,1,3% 56,8% 41,1,3% 56,8% 56,	510,51 17,245,73 18,598,63 35,844,41 2019E 20.9 20.7 21.7 14.5,80 80.0 80.0 32.5,47.5,20 20.7 21.7 16.4 28.3 32.2 31.3 52.9 60.8 60.8 60.8 60.8 60.8 60.8 60.8 60.8
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth MV Vet sales Not sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services Retail subscription services AWS Other Vet sales FXN Vet sales FXN Vet sales FXN Vet sales FXN Technology and content General and administrative Total cash operating expenses Deprating income Non-GAAP Net income Son-CAAP Net income BITDA Vis of Revenues Cost of sales "Cethology and content General and administrative Technology and content General services Deprating income Non-GAAP Net income Son-GAAP Net income Son-GAAP Net income Technology and content General and administrative Total cash operating expenses	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 72,2% 61,7% 69,7% 69,7% 69,7% 29,3% 26,1% 14,2% 24,4% 20,3% 33,6% 12,0% 64,9% 65,0% 64,9% 67,0% 61,7% 67,0% 61,7% 61,7% 69,7%	484,000 7,327,000 8,117,000 15,444,000 2016A 22,1% 27,1% 19,0% NA 42,9% 43,1% 55,1% 55,1% 30,0% 31,2% 36,5% 27,6% 22,2% 36,5% 22,2% 36,5% 22,2% 36,5% 22,2% 36,5% 22,2% 36,5% 22,2% 36,5% 22,2% 36,5% 22,4% 39,0% 31,2% 30,0% 31,2% 30,0% 31,2% 31,1% 87,5% 62,0% 22,8% 42,9% 55,1% 16,5% 51,1% 16,6% 51,1% 16,6% 52,7%	490,000 1.841,000 2.435,000 4.276,000 3/17A 21.5% 22.6% 22.6% 14.6% NA 34.1% 49.2% 42.7% 56.0% 24.3% 27.0% 32.3% 36.2% 60.4% 33.3% 6.2% 60.4% 33.3% 6.2% 60.4% 33.3% 6.2% 60.4% 60.5% 6	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1% 51.0% 26.5% 22.2% 29.3% 43.0% 42.0% 16.0% 11.7% 61.8% 11.7% 61.8% 61.8% 61.9% 51.9% 51.9% 33.4%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8% 69.3% 41.9% 59.4% 41.8% 41.8% 44.5% 53.1% 6.8% 29.7% 6.8% 26.6%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% NA 41,1% 49,2% 44,6% 52,9% 45,5% 57,7% 36,5% 40,1% 47,5% 69,5% 55,7% 55,7% 54,7% 14,4% 54,0% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 55,5%	492,875 8,536,000 11,478,000 20,014,000 2017A 281% 30.8% 26.5% NA 38.7% 52.0% 42.9% 42.9% 43.5% 38.2% 43.5% 53.3% 42.9% 33.1% 52.5% 54.9% 13.1% 52.9% 54.9% 55.7% 56.5	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 42.0,3% NA 39.3% 60.3% 45.3% 68.3% 52.8% 38.0% 47.3% 45.3% 69.9% 54.9% 38.6% 38.6% 38.6% 52.8% 52.1% 10.7% 3.3% 55.2% 52.1% 10.7% 11.3% 15.3% 56.6% 11.3% 15.3% 56.6% 11.8% 34.7%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,9% 42,9% 42,9% 42,9% 42,9% 43,7% 45,1% 43,2% 60,3% 45,1% 46,1	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% AA 35.6% 46.6% 39.6% 46.6% 39.6% 41.2% 39.9% 41.2% 49.1% 74.8% 27.8% 45.7% 61.9% 61.5% 61.5% 61.5% 61.8% 63.4%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 7.6% 7.6% 37.6% 41.6% 37.6% 41.6% 62.1.1% 22.1.8% 24.0% 41.0% 52.6.7% 19.4% 22.2.4% 41.0% 52.6.7% 19.4% 10.3% 10.3% 11.0% 5.6.8% 9.7% 11.5% 5.6% 9.7%	500,500 11,281,232 16,013,761 27,294,993 2018E 28.0% 22.9% 26.8% 18.4% NA 35.9% 46.2% 41.0% 30.7% 24.5% 30.6% 30.6% 30.6% 30.6% 31.7% 25.7% 32.0% 21.2% 61.8% 14.17% 5.6% 11.3% 11.7% 5.6%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21,7 14,5 8.0 32,5 20,7 21,7 18,2 21,7 16,4 28,3 22,5 19,7 20,6 81,3 60,5 60,5 11,5 11,7 33,4
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (// Growth MV let sales Vet sales, ex-WFM Online Stores Physical Stores Retail shird-party seller services Retail subscription services AWS Other Vet sales FXN Net sales	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 12,2% 12,2% 12,2% 26,1% 26,1% 26,1% 21,14% 24,4% 24,4% 24,4% 24,4% 64,9% 67,0% 64,9% 67,0% 12,1% 4,7% 10,6% 1,4,4% 28,8%	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% A4.1% 55.1% 72.5% 27.6% 27.6% 31.2% 35.0% 31.1% 87.5% 62.0% 62.0% 42.9% 42.9% 42.9% 64.9% 12.5% 55.1% 16.6% 23.7%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 14,6% 14,6% 49,2% 42,7% 56,0% 24,3% 34,1% 49,2% 42,7% 56,0% 24,3% 30,0% 62,8% 60,4% 60	492,000 1,852,000 2,633,000 4,495,000 6/17A 24.3% 16.6% 16.6% 42.1% 51.0% 22.2% 26.5% 22.2% 29.3% 22.6% 42.0% 51.1% -77.0% -11.1% 61.8% 12.9% 55.5% 13.0% 2.2% 33.4%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 32.9% 22.2% 40.3% 59.3% 41.9% 58.4% 32.9.4% 42.96% 62.9% 46.2% 59.7% 6.8% 6.8% 1.6% 62.9% 14.2% 54.4% 12.2% 1.9% 33.7%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3% 19.7% 19.7% 49.2% 44.1% 45.5% 45.5% 40.1% 47.7% 47.5% 69.5% 53.5% 63.7% 14.4% 94.4% 9.4% 9.4% 9.4% 9.4% 9.4% 9.4%	492,875 8,536,000 11,478,000 20,014,000 28,1% 30,8% 26,5% 18,5% 18,5% 18,5% 18,5% 18,5% 26,5% 26,5% 26,5% 27,7% 28,8% 38,2% 42,9% 42,1% 42,1% 42,1% 42,1% 42,1% 42,1% 43,5% 42,1% 42,1% 43,5% 42,1% 42,1% 43,5% 42,1% 43,5% 44,1% 45,5% 46,5% 46,5% 47,9% 41,1% 48,1% 4	497,500 2,038,449 3,537,707 5,576,157 3/18E 34,2% 41,4% 20,3% 45,3% 50,3% 45,3% 68,3% 38,1% 45,3% 69,9% 54,9% 38,6% 31,4% 53,2% 61,3% 30,4% 61,3% 30,4% 61,3% 30,4%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% 20,4% 48,9% 42,9% 70,4% 37,4% 32,6% 37,4% 32,6% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 60,3% 15,0% 34,8% 43,2%	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% 46.6% 35.6% 46.6% 37.1% 41.2% 37.1% 41.2% 37.1% 41.2% 55.3% 45.7% 61.9% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 18.0% 18.0% 18.0% 18.1%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 15.6% 7.6% 41.6% 32.6% 41.6% 22.2% 40.7% 18.6% 22.1% 24.0% 18.6% 22.4% 19.4% 1	500,500 11,281,232 16,013,761 27,294,993 2018E 28,0% 28,9% 18,4% NA A35,9% 40,2% 41,0% 66,8% 30,07% 34,5% 30,6% 41,0% 56,8% 42,5% 30,6% 41,7% 57,5% 51,8% 52,2% 52,2% 52,2% 52,2% 52,2% 52,2% 52,5% 56,8% 11,7% 56,5% 11,3%	510,51 17,245,73 18,598,61 35,844,41 2019E 20.5,20,7 14.5,80,80,90,90,90,90,90,90,90,90,90,90,90,90,90
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth MV Vet sales Not sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services Retail subscription services AWS Other Vet sales FXN Vet sales FXN Vet sales FXN Vet sales FXN Technology and content General and administrative Total cash operating expenses Deprating income Non-GAAP Net income Son-CAAP Net income BITDA Vis of Revenues Cost of sales "Cethology and content General and administrative Technology and content General services Deprating income Non-GAAP Net income Son-GAAP Net income Son-GAAP Net income Technology and content General and administrative Total cash operating expenses	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 72,2% 61,7% 69,7% 69,7% 69,7% 29,3% 26,1% 14,2% 24,4% 20,3% 33,6% 12,0% 64,9% 65,0% 64,9% 67,0% 61,7% 67,0% 61,7% 61,7% 69,7%	484,000 7,327,000 8,117,000 15,444,000 2016A 22,1% 27,1% 19,0% NA 42,9% 43,1% 55,1% 62,76% 23,2% 35,0% 31,2% 36,5% 27,4% 39,0% 42,9% 62,9% 62,9% 62,9% 62,9% 62,9% 62,9% 62,9% 62,9% 63,9% 62,6% 64,9% 65,1% 66,0% 66,0% 67,5% 67,5% 68,0%	490,000 1.841,000 2.435,000 4.276,000 3/17A 21.5% 22.6% 22.6% 14.6% NA 34.1% 49.2% 42.7% 56.0% 24.3% 27.0% 32.3% 36.2% 60.4% 33.3% 6.2% 60.4% 33.3% 6.2% 60.4% 33.3% 6.2% 60.4% 60.5% 6	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1% 51.0% 26.5% 22.2% 29.3% 43.0% 42.0% 16.0% 11.7% 61.8% 11.7% 61.8% 61.8% 61.9% 51.9% 51.9% 33.4%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 33.7% 29.8% 69.3% 41.9% 59.4% 41.8% 42.9.6% 41.4% 48.4% 41.8% 44.5% 53.1% 6.8% 29.7% 26.6%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33,3% 38,2% 27,9% 19,7% NA 41,1% 49,2% 44,6% 52,9% 45,5% 57,7% 36,5% 40,1% 47,5% 69,5% 55,7% 55,7% 54,7% 14,4% 54,0% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 14,5% 54,7% 55,5%	492,875 8,536,000 11,478,000 20,014,000 2017A 281% 30.8% 26.5% NA 38.7% 52.0% 42.9% 42.9% 43.5% 38.2% 43.5% 53.3% 42.9% 33.1% 52.5% 54.9% 13.1% 52.9% 54.9% 55.7% 56.5	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 42.0,3% NA 39.3% 60.3% 45.3% 68.3% 52.8% 38.0% 47.3% 45.3% 69.9% 54.9% 38.6% 38.6% 38.6% 52.8% 52.1% 10.7% 3.3% 55.2% 52.1% 10.7% 11.3% 15.3% 56.6% 11.3% 15.3% 56.6% 11.8% 34.7%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 48,9% 42,9% 42,9% 42,9% 42,9% 42,9% 43,7% 45,1% 43,2% 60,3% 45,1% 46,1	501,500 2,202,095 4,192,690 6,394,784 9/18E 28.1% 33.2% 26.9% 18.6% AA 35.6% 46.6% 39.6% 46.6% 39.6% 41.2% 39.9% 41.2% 49.1% 74.8% 27.8% 45.7% 61.9% 61.5% 61.5% 61.5% 61.8% 63.4%	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 7.6% 7.6% 37.6% 41.6% 37.6% 41.6% 62.1.1% 22.1.8% 24.0% 41.0% 52.6.7% 19.4% 22.2.4% 41.0% 52.6.7% 19.4% 10.3% 10.3% 11.0% 5.6.8% 9.7% 11.5% 5.6% 9.7%	500,500 11,281,232 16,013,761 27,294,993 2018E 28.0% 22.9% 26.8% 18.4% NA 35.9% 46.2% 41.0% 30.7% 24.5% 30.6% 30.6% 30.6% 30.6% 31.7% 25.7% 32.0% 21.2% 61.8% 14.17% 5.6% 11.3% 11.7% 5.6%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 21.7 14.5 80.0 28.0 32.5 47.5 20.7 21.7 16.4 28.3 32.2 31.3 60.8 33.3 64.2 60.8
Diluted shares outstanding EBITDA Reconciliation: Non-GAAP Operating income (CSOI) Depreciation and other amortization EBITDA (I'Y Growth DAV Let sales Vet sales, ex-WFM Online Stores Physical Stores Retail third-party seller services Retail subscription services AWS Other Let sales FXN Let sales FXN Let sales FXN Let sales FXN Cost of sales Tocss profit Fuffilment Marketing Technology and content General and administrative Total cash operating expenses Derating income Non-GAAP Operating income (CSOI) SAAP Net income Non-GAAP Net income BEITDA K of Revenues Cost of sales Fuffillment Marketing Technology and content General and administrative Total cash operating income Non-GAAP Net income BEITDA K of Revenues Cost of sales Fuffillment Harketing Technology and content Seneral and administrative Total cash operating expenses Margins Tocss margin Deparating margin	477,000 4,524,000 6,281,000 10,805,000 2015A 25,4% 20,2% 12,2% 12,2% 12,2% 12,2% 12,2% 14,2% 26,1% 26,1% 14,2% 21,1% 24,4% 20,3% 33,6% 12,0% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 69,7% 14,2% 15,2% 69,7% 150,2% 69,7% 150,2	484,000 7,327,000 8,117,000 15,444,000 2016A 32.9% 27.1% 19.0% NA 42.9% 43.1% 52.5% 27.6% 23.2% 36.5% 31.2% 36.5% 62.9% 42.9% 62.9% 62.9% 62.5% 62.5% 62.5% 63.0% 62.7% 62.7% 63.0%	490,000 1,841,000 2,435,000 4,276,000 3/17A 21,5% 22,6% 22,6% 14,6% NA 34,1% 49,2% 42,7% 56,0% 24,3% 24,3% 27,0% 36,2% 60,4% 33,30% 6,2% 60,4% 33,3% 12,7% 5,1% 51,1% 51,2% 52,0% 52,0% 52,0%	492,000 1,852,000 2,633,000 4,485,000 6/17A 24.3% 24.8% 24.8% 16.6% NA 37.5% 51.3% 42.1% 51.0% 26.5% 22.2% 22.6% 43.0% 42.0% 43.0% 41.77 61.6% 61.8% 12.9% 55.5% 61.33,34%	494,000 1,477,000 2,912,000 4,389,000 9/17A 30.3% 29.8% 22.2% NA 40.3% 59.3% 41.9% 48.4% 41.4% 44.5% 45.31% 46.2% 46.2% 59.7% 6.8% 6.8% 6.8% 1.6% 29.7% 26.5% 14.2% 1.9% 13.37%	495,500 3,366,000 3,498,000 6,864,000 12/17A 33.3% 38.2% 27.9% 19.7% NA 41.1% 49.2% 44.6% 52.54% 52.54% 52.5% 57.7% 36.5% 62.6% 53.5% 63.7% 64.14.8% 65.0% 63.5% 63.5% 63.5% 63.5% 63.5% 63.5%	492,875 8,536,000 11,478,000 20,014,000 20,17A 28,1% 30,8% 28,1% 18,5% NA 38,7% 52,0% 42,9% 57,7% 30,6% 26,4% 43,5% 38,2% 43,5% 38,3% 62,7% 42,1% 57,9% 33,1% 27,9% 33,1% 29,6% 13,7% 54,4% 11,4% 11,4% 11,1% 12,1% 11,1% 12,1% 12,1% 12,1% 13,1% 13,1% 13,1% 13,1% 14,1% 14,1% 18,1% 12,1% 14,1% 18,1% 12,1% 14,1% 18,1% 12	497,500 2,038,449 3,537,707 5,576,157 3/18E 34.2% 41.4% 29.1% 50.3% 68.3% 68.3% 68.3% 68.3% 68.3% 69.9% 54.9% 54.9% 69.9% 54.9% 69.9%	499,500 2,582,844 3,840,164 6,423,007 6/18E 33,2% 40,8% 20,4% NA 37,9% 42,9% 42,9% 42,9% 43,9% 42,9% 43,26% 63,7% 49,1% 46,2% 63,7% 49,1% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 46,2% 63,7% 49,1% 60,3% 45,1% 45,1% 43,2% 60,3% 45,1% 60,3	501,500 2,202,095 4,192,690 6,394,784 9/18E 28,1% 33,2% 26,9% 18,6% NA 35,6% 46,6% 35,6% 46,6% 31,6% 41,2% 30,7% 41,2% 41,2% 41,2% 41,2% 41,2% 41,2% 41,5% 41,2% 42,6% 49,1% 45,7% 41,5% 41,8% 45,7% 45,7% 46,7	503,500 4,457,844 4,443,200 8,901,044 12/18E 21.0% 22.6% 23.8% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 41.6% 32.6% 56.1% 56.6% 32.6% 56.1% 56.5% 57.6% 58.5% 59.7% 59.7% 50.5%	500,500 11,281,232 16,013,761 27,294,993 2018E 28.0% 22.9% 28.8% 48.4% NA 35.9% 46.2% 41.0% 66.8% 30.7% 24.5% 30.6% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 31.7% 32.0% 32.0% 33.4% 33.4% 33.3% 33.2% 33.3%	510,51 17,245,73 18,598,67 35,844,41 2019E 20.5 20.7 14.5 8.0 35.0 20.7 14.5 47.5 20.7 16.4 28.3 22.5 19.7 20.6 33.3 54.2 33.5 40.2 40.3 4

Source: J.P. Morgan estimates, company data.

Figure 9: AMZN Segment Breakdown

\$ in thousands, except per share data

NET SALES	2015A	2016A	3/17A	6/17A	9/17A	12/17A	2017A	3/18E	6/18E	9/18E	12/18E	2018E	2019E
Online Stores	76,863,000	91,431,000	22,826,000	23,754,000	26,392,000	35,383,000	108,355,000	27,465,684	28,602,446	31,294,565	40,914,536	128,277,232	146,877,43
% change	12.2%	19.0%	14.6%	16.6%	22.2%	19.7%	18.5%	20.3%	20,002,440	18.6%	15.6%	18.4%	140,077,43
FX Benefit (Negative Impact)	12.2/0	19.0%	(276,560)	(292,040)	52.200	811,840	295,440	759.264	691,496	415.925	577.916	2.444.602	14.5
% change FXN			16.0%	18.0%	22.0%	17.0%	18.2%	17.0%	17.5%	17.0%	14.0%	16.1%	
Whole Foods Market (incl. pre-acquisition numbers)	15,518,709	15,891,940	3,995,268	4,036,702	4,003,603	4,522,000	16,557,573	4,406,835	4,492,410	4,370,053	4,867,915	18,137,213	19,588,19
% change	6.7%	2.4%	0.2%	0.6%	4.0%	11.9%	4.2%	10.3%	11.3%	9.2%	7.6%	9.5%	8.0
FX Benefit (Negative Impact)	0.776	2.470	0.276	0.078	2.036	7,111	9,147	12,041	11,671	6,126	6,765	36,602	0.0,
% change FXN					4.0%	11.8%	3,147	10.0%	11.0%	9.0%	7.5%	9.3%	
Physical Stores					1.276.000	4.522.000	5.798.000	4.406.835	4.492.410	4.370.053	4,867,915	18.137.213	19,588,19
% change					1,270,000 NA	4,522,000 NA	0,730,000 NA	NA	1,432,410 NA	4,570,055 NA	7.6%	10,137,213 NA	8.09
FX Benefit (Negative Impact)					752	7,111	7.863	12.041	11.671	6.126	6.765	36.602	0.0,
% change FXN					NA.	NA.	NA	NA	NA.	0,120 NA	7.5%	NA	
Retail third-party seller services	16,086,000	22.993.000	6,438,000	6,991,000	7,928,000	10,523,000	31,880,000	8,969,828	9,641,363	10,748,461	13,957,004	43,316,657	55,445,32
% change	36.9%	42.9%	34.1%	37.5%	40.3%	41.1%	38.7%	39.3%	37.9%	35.6%	32.6%	35.9%	28.0
	30.976	42.370	(91,360)	(125.200)	15.200	233 720	32.360	214.148	203.513	124.941	171.874	714 477	20.0
FX Benefit (Negative Impact) % change FXN			36.0%	40.0%	40.0%	38.0%	38.5%	36.0%	35.0%	34.0%	31.0%	33.6%	
Retail subscription services	4.467.000	6.394.000	1.939.000	2.165.000	2.441.000	3.177.000	9.722.000	2.914.827	3,223,925	3,577,919	4,499,690	14,216,361	19,192,08
% change	4,467,000	6,394,000 43.1%	1,939,000 49.2%	2,165,000 51.3%	2,441,000 59.3%	3,177,000 49.2%	9,722,000	2,914,827 50.3%	3,223,925 48.9%	3,577,919 46.6%	4,499,690	14,216,361 46.2%	19,192,08 35.09
	01.7%	43.1%											35.0
FX Benefit (Negative Impact)			(37,000)	(24,430) 53.0%	5,120 59.0%	45,900	(10,410)	64,497	63,025	38,469	51,890	217,881	
% change FXN AWS	7.880.000	12.219.000	52.0% 3.661.000	4 100 000	4.584.000	47.0% 5.113.000	52.2% 17.458.000	47.0% 5.320.396	46.0% 5.859.354	45.0% 6.398.162	40.0% 7,037,191	44.0% 24,615,103	32.615.01
	7,880,000 69.7%	12,219,000 55.1%	3,661,000 42.7%	4,100,000 42.1%	4,584,000	5,113,000	17,458,000 42.9%	5,320,396 45.3%	5,859,354 42.9%	6,398,162	7,037,191	24,615,103 41.0%	32,615,013
% change FX Benefit (Negative Impact)			, .	42.1% 1,880			42.9% 10,640	45.3% 121,776	42.9% 119,354	72,242	37.6% 83,511	41.0% 396,883	32.5
	15,830	1,740	(8,380)	1,880 42.0%	(4,020) 42.0%	21,160 44.0%	10,640 42.8%						
% change FXN	69.3%	55.0%	43.0%					42.0%	40.0%	38.0%	36.0%	38.7%	44
Other	1,710,000	2,950,000	850,000	945,000	1,123,000	1,735,000	4,653,000	1,430,774	1,610,385	1,870,648	2,847,713	7,759,519	11,445,29
% change	29.3%	72.5%	56.0%	51.0%	58.4% 2,780	62.0% 21.400	57.7%	68.3%	70.4% 27.510	66.6% 17.698	64.1% 28.338	66.8%	47.59
FX Benefit (Negative Impact)			(11,100)	(12,780)		,	300	28,274	,		- 1	101,819	
% change FXN			58.0%	53.0%	58.0%	60.0%	57.7%	65.0%	67.5%	65.0%	62.5%	64.6%	
Total Net Sales	107,007,000	135,987,000	35,714,000	37,955,000	43,744,000	60,453,000	177,866,000	50,508,345	53,429,883	58,259,808	74,124,050	236,322,086	285,163,333
% change Y/Y	20.2%	27.1%	22.6%	24.8%	33.7%	38.2%	30.8%	41.4%	40.8%	33.2%	22.6%	32.9%	20.79
% change Q/Q			-18.4%	6.3%	15.3%	38.2%		-16.5%	5.8%	9.0%	27.2%		
FX Benefit (Negative Impact)	(5,190,000)	(550,000)	(492,000)	(502,000)	124,000	1,100,000	230,000	1,200,000	1,116,568	675,401	920,295	3,912,265	
% change, ex-FX impact	26.1%	27.6%	24.3%	26.5%	33.3%	35.7%	30.6%	38.1%	37.8%	31.6%	21.1%	30.7%	
	-												
Net Sales by Geography (ex-AWS)													
North America													
Net Sales	63,709,000	79,784,000	20,992,000	22,370,000	25,446,000	37,302,000	106,110,000	30,542,598	32,425,801	34,532,902	44,770,567	142,271,868	169,553,65
% change	25.3%	25.2%	23.5%	26.6%	34.8%	42.2%	33.0%	45.5%	45.0%	35.7%	20.0%	34.1%	19.29
Whole Foods Market NA Sales					1,256,860	4,454,170	5,711,030	4,340,733	4,425,024	4,304,502	4,794,896	17,865,155	19,294,36
% of WFM sales					98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5
% of retail sales	64%	64%	65%	66%	65%	67%	66%	68%	68%	67%	67%	67%	679
International													
	35.418.000	43.984.000	11.061.000	11.485.000	13.714.000	18.038.000	E4 200 000	14 645 250	15 144 700	17.328.745	22 246 204	69.435.114	82.994.669
Net Sales % change	5.7%	24.2%	15.6%	16.7%	29.3%	29.2%	54,298,000 23.4%	14,645,350 32.4%	15,144,728 31.9%	26.4%	22,316,291 23.7%	27.9%	19.59
% cnange FX Benefit (Negative Impact)	(5,023,400)	(469.770)	(513.860)	(524.680)	29.3% 134.480	1,000,700	23.4%	1 200 000	1.116.568	26.4% 675.401	920,295	3.912.265	19.5
% change, ex-FX impact	(5,023,400)	(469,770) 25.5%	(513,860) 21.0%	(524,680)	134,480 28.0%	1,000,700	230,000	21.6%	1,116,568	21.4%	920,295 18.6%	3,912,265	
	20.7%	25.5%	21.0%	22.0%									000.00
Whole Foods Market Int'l Sales % of WFM sales					19,140 1.5%	67,830	86,970	66,103	67,386 1.5%	65,551	73,019	272,058	293,82 1.5
% of retail sales	36%	36%	35%	34%	35%	1.5% 33%	1.5% 34%	1.5% 32%	1.5% 32%	1.5% 33%	1.5% 33%	1.5%	33
% Of retail sales	36%	30%	35%	34%	35%	33%	3476	32%	3270	33%	3376	33%	33
	2015A	2016A	3/17A	6/17A	9/17A	12/17A	2017A	3/18E	6/18E	9/18E	12/18E	2018E	2019E
Gross Merchandise Value Build													
Amazon 1P sales (ex-WFM)	76,863,000	91,431,000	22,826,000	23,754,000	26,392,000	35,383,000	108,355,000	27,465,684	28,602,446	31,294,565	40,914,536	128,277,232	
% change	12.2%	19.0%	14.6%	16.6%	22.2%	19.7%	18.5%	20.3%	20.4%	18.6%	15.6%	18.4%	14.5
Amazon 1P sales	76,863,000	91,431,000	22,826,000	23,754,000	27,668,000	39,905,000	114,153,000	31,872,519	33,094,857	35,664,618	45,782,451	146,414,446	166,465,62
% change	12.2%	19.0%	14.6%	16.6%	28.2%	35.1%	24.9%	39.6%	39.3%	28.9%	14.7%	28.3%	13.7
Amazon 3P sales	16,086,000	22,993,000	6,438,000	6,991,000	7,928,000	10,523,000	31,880,000	8,969,828	9,641,363	10,748,461	13,957,004	43,316,657	55,445,32
% change	36.9%	42.9%	34.1%	37.5%	40.3%	41.1%	38.7%	39.3%	37.9%	35.6%	32.6%	35.9%	28.0
3P blended take rate	15.0%	15.0%	16.0%	16.0%	16.0%	16.0%	16.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.5
3P GMV	107,240,000	153,280,000	40,237,500	43,693,750	49,550,000	65,768,750	199,250,000	52,763,694	56,713,901	63,226,244	82,100,023	254,803,862	316,830,40
Amazon GMV	184,103,000	244,712,000	63,063,500	67.447.750	77,218,000	105,673,750	313,403,000	84,636,214	89,808,757	98,890,862	127,882,474	401,218,308	483,296,02
% change	25.4%	32.9%	21.5%	24.3%	30.3%	33.3%	28.1%	34.2%	33.2%	28.1%	21.0%	28.0%	20.5
	41.7%	37.4%	36.2%	35.2%	35.8%	37.8%	36.4%	37.7%	36.9%	36.1%	35.8%	36.5%	34.4
1P as % of total GMV		62.6%	63.8%	64.8%	64.2%	62.2%	63.6%	62.3%	63.1%	63.9%	64.2%	63.5%	65.6
1P as % of total GMV 3P as % of total GMV	58.3%			51.0%	50.0%	51.0%	22.070	32.070		22.070	. / o	1 22.070	50.0
1P as % of total GMV 3P as % of total GMV 3P as % of total units	58.3% 45.5%	49.0%	50.0%										1
3P as % of total GMV 3P as % of total units	45.5%					71,229 531	207.316 296	57.205 736	61,216 913	65.848.052	85.342 659	269,627 754	324,470 0
3P as % of total GMV 3P as % of total units North America GMV	45.5% 118,323,141	157,747,578	41,301,251	44,566,716	50,175,925	71,229,531 37.7%	207,316,296 31.4%	57,205,736 38.5%	61,216,913 37.4%	,,	85,342,659 19.8%	269,627,754 30.1%	
3P as % of total GMV 3P as % of total units North America GMV % change	45.5% 118,323,141 33.7%	157,747,578 33.3%	41,301,251 24.3%	44,566,716 27.9%	50,175,925 32.2%	37.7%	31.4%	38.5%	37.4%	31.2%	19.8%	30.1%	20.3
3P as % of total GMV 3P as % of total units North America GMV % change % of total GMV	45.5% 118,323,141 33.7% 64.3%	157,747,578 33.3% 64.5%	41,301,251 24.3% 65.5%	44,566,716 27.9% 66.1%	50,175,925 32.2% 65.0%	37.7% 67.4%	31.4% 66.2%	38.5% 67.6%	37.4% 68.2%	31.2% 66.6%	19.8% 66.7%	30.1% 67.2%	20.3 67.
3P as % of total GMV 3P as % of total units North America GMV % change	45.5% 118,323,141 33.7%	157,747,578 33.3%	41,301,251 24.3%	44,566,716 27.9%	50,175,925 32.2%	37.7%	31.4%	38.5%	37.4%	31.2%	19.8%	30.1%	20.3 67.

Figure 10: AMZN Segment Breakdown (Cont'd)

\$ in thousands, except per share data

	2015A	2016A	3/17A	6/17A	9/17A	12/17A	2017A	3/18E	6/18E	9/18E	12/18E	2018E	2019E
GROSS PROFIT													
North America (ex-WFM)	18,333,480	23,749,170	6,507,520	7,113,660	7,256,742	10,018,588	30,896,510	8,384,597	9,100,253	9,370,804	12,192,580	39,048,233	48,082,971
% change	34%	30%	28%	28%	33%	32%	30%	29%	28%	29%	22%	26%	23%
% margin	28.8%	29.8%	31.0%	31.8%	30.0%	30.5%	30.8%	32.0%	32.5%	31.0%	30.5%	31.4%	32.0%
International (ex-WFM)	9,142,520	11,770,830	3,113,480	3,302,340	3,945,767	5,371,762	15,733,348	4,446,671	4,824,749	5,049,484	6,450,549	20,771,453	25,637,262
% change	16%	29%	20%	19%	43%	47%	34%	43%	46%	28%	20%	32%	23%
% margin	25.8%	26.8%	28.1%	28.8%	28.8%	29.9%	29.0%	30.5%	32.0%	29.3%	29.0%	30.0%	31.0%
AWS	7,880,000	12,219,000	3,661,000	4,100,000	4,584,000	5,113,000	17,458,000	5,320,396	5,859,354	6,398,162	7,037,191	24,615,103	32,615,012
% change													
% margin	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Consolidated (ex-WFM)	35,356,000	47,739,000	13,282,000	14,516,000	15,786,509	20,503,350	64,087,859	18,151,664	19,784,356	20,818,450	25,680,320	84,434,790	106,335,245
% change	35%	35%	29%	29%	38%	39%	34%	37%	36%	32%	25%	32%	26%
% margin	33.0%	35.1%	37.2%	38.2%	37.2%	36.7%	37.2%	39.4%	40.4%	38.6%	37.1%	38.7%	40.0%
FX Benefit (Negative Impact)	(1,724,058)	(183,186)	(182,974)	(191,991)	45,814	400,634	71,483	467,738	446,686	258,551	338,739	1,511,715	
% change ex-FX	41%	36%	31%	31%	37%	36%	34%	33%	33%	30%	24%	29%	26%
Whole Foods Market (incl. pre-acquisition numbers)	5,429,574	5,437,000	1,358,482	1,374,310	1,322,480	1,469,650	5,524,921	1,410,187	1,437,571	1,398,417	1,557,733	5,803,908	6,170,280
% change	5%	0%	-2%	-1%	1%	8%	2%	4%	5%	6%	6%	5%	6%
% margin	35.0%	34.2%	34.0%	34.0%	33.0%	32.5%	33.4%	32.0%	32.0%	32.0%	32.0%	32.0%	31.5%
Whole Foods Market (recognized by AMZN)					421,491	1,469,650	1,891,141	1,410,187	1,437,571	1,398,417	1,557,733	5,803,908	6,170,280
% change					NA	NA	NA	NA	NA	NA	6%	NA	6%
% margin					33.0%	32.5%	32.6%	32.0%	32.0%	32.0%	32.0%	32.0%	31.5%
Total Consolidated	35,356,000	47,739,000	13,282,000	14,516,000	16,208,000	21,973,000	65,979,000	19,561,851	21,221,927	22,216,867	27,238,053	90,238,698	112,505,525
% change	35%	35%	29%	29%	41%	49%	38%	47%	46%	37%	24%	37%	25%
% margin	33.0%	35.1%	37.2%	38.2%	37.1%	36.3%	37.1%	38.7%	39.7%	38.1%	36.7%	38.2%	39.5%
FX Benefit (Negative Impact)	(1,724,058)	(183,186)	(182,974)	(191,991)	45,944	399,820	70,798	464,759	443,492	257,558	338,177	1,503,987	
% change ex-FX	41.3%	35.5%	31.2%	31.0%	41.0%	45.8%	38.1%	43.8%	43.1%	35.5%	22.4%	34.5%	24.7%
	2015A	2016A	3/17A	6/17A	9/17A	12/17A	2017A	3/18E	6/18E	9/18E	12/18E	2018E	2019E
OPERATING INCOME													
North America (ex-WFM)	1,424,000	2,361,000	596,000	436,000	91,000	1,714,610	2,837,610	524,037	763,049	302,284	2,198,662	3,788,032	5,634,723
% change	296%	66%	1%	-38%	-64%	110%	20%	-12%	75%	232%	28%	33%	49%

	2015A	2016A	3/17A	6/17A	9/17A	12/17A	2017A	3/18E	6/18E	9/18E	12/18E	2018E	2019E
OPERATING INCOME													
North America (ex-WFM)	1,424,000	2,361,000	596,000	436,000	91,000	1,714,610	2,837,610	524,037	763,049	302,284	2,198,662	3,788,032	5,634,723
% change	296%	66%	1%	-38%	-64%	110%	20%	-12%	75%	232%	28%	33%	49%
% margin	2.2%	3.0%	2.8%	1.9%	0.4%	5.2%	2.8%	2.0%	2.7%	1.0%	5.5%	3.0%	3.8%
International (ex-WFM)	(699,000)	(1,284,000)	(481,000)	(724,000)	(936,000)	(919,000)	(3,060,000)	(874,755)	(904,640)	(1,070,318)	(1,006,508)	(3,856,221)	(2,687,778)
% change	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
% margin	-2.0%	-2.9%	-4.3%	-6.3%	-6.8%	-5.1%	-5.6%	-6.0%	-6.0%	-6.2%	-4.5%	-5.6%	-3.3%
AWS	1,508,000	3,109,000	890,000	916,000	1,171,000	1,354,000	4,331,000	1,356,701	1,494,135	1,599,540	1,759,298	6,209,675	7,990,678
% change	229%	106%	47%	28%	36%	46%	39%	52%	63%	37%	30%	43%	29%
% margin	19.1%	25.4%	24.3%	22.3%	25.5%	26.5%	24.8%	25.5%	25.5%	25.0%	25.0%	25.2%	24.5%
Total Consolidated (ex-WFM)	2,233,000	4,186,000	1,005,000	628,000	326,000	2,149,610	4,108,610	1,005,983	1,352,544	831,506	2,951,452	6,141,486	10,937,624
% change	1154%	87%	-6%	-51%	-43%	71%	-2%	0%	115%	155%	37%	49%	78%
% margin	2.1%	3.1%	2.8%	1.7%	0.8%	3.8%	2.4%	2.2%	2.8%	1.5%	4.3%	2.8%	4.1%
Whole Foods Market (incl. pre-acquisition numbers)	862,321	755,648	207,768	197,143	56,824	(22,610)	439,124	(22,034)	22,462	43,701	48,679	92,808	489,705
% change	-6%	-12%	-17%	-14%	-67%	NM	-42%	NM	-89%	-23%	NM	-79%	428%
% margin	5.6%	4.8%	5.2%	4.9%	1.4%	-0.5%	2.7%	-0.5%	0.5%	1.0%	1.0%	0.5%	2.5%
Whole Foods Market (recognized by Amazon)					21,000	(22,610)	(1,610)	(22,034)	22,462	43,701	48,679	92,808	489,705
% change					NA	NA	NA	NA	NA	NA	NM	NA	428%
% margin					1.6%	-0.5%	0.0%	-0.5%	0.5%	1.0%	1.0%	0.5%	2.5%
Total Consolidated	2,233,000	4,186,000	1,005,000	628,000	347,000	2,127,000	4,107,000	983,949	1,375,006	875,207	3,000,131	6,234,293	11,427,328
% change	1154%	87%	-6%	-51%	-40%	69%	-2%	-2%	119%	152%	41%	52%	83%
% margin	2.1%	3.1%	2.8%	1.7%	0.8%	3.5%	2.3%	1.9%	2.6%	1.5%	4.0%	2.6%	4.0%
,g		0.170	2.070	/	0.070	0.070	2.0 /0	1.070	2.070	1.070	4.0 70	2.070	

Source: J.P. Morgan estimates, company data.

Amazon.com: Summary of Financials

		<u>, </u>								
Income Statement - Annual Revenue	FY16A 135,987	FY17A 177,866	FY18E 236,322	FY19E FY20E 285,163	Income Statement - Quarterly - Revenue	У	1Q18E 50,508	2Q18E 53,430	3Q18E 58.260	4Q18E 74,124
COGS	-	(111,887)	-	(172,658)	- COGS			(32,208)		
Gross profit	47,739	65,979	90,239	112,506	Gross profit		19,562		22,217	27,238
SG&A	(9,027)	(12,790)	(17,401)	(21,973)	- SG&A		(3,760)	(4,106)	(4,285)	(5,250)
Adj. EBITDA	15,444	20,014	27,295	· · · · · · · ·	- Adj. EBITDA		5,576	6,423	6,395	8,901
D&A	(8,283)	(11,693)	(16,302)	(18,945)	- D&A		(3,602)	(3,910)	(4,267)	(4,523)
Adj. EBIT	7,327	8,536	11,281		- Adj. EBIT		2,038	2,583	2,202	4,458
Net Interest	(383)	(646)	(1,230)	(1,252)	- Net Interest		(288)	(304)	(316)	(322)
Adj. PBT	6,937	8,232	10,051	15,994	- Adj. PBT		1,751	2,279	1,886	4,136
Tax	(1,425)	(770)	(1,001)	(2,035)	- Tax		(139)	(214)	(112)	(536)
Minority Interest	(1,423)	(110)	(1,001)	(2,000)	- Minority Interest		(133)	(214)	(112)	(550)
Adj. Net Income	5,608	7,466	9,050	13,959	- Adj. Net Income		1,611	2,064	1,774	3,600
Reported EPS	4.90	6.15	8.00	15.95	- Reported EPS		1.12	1.72	0.89	4.25
Adi. EPS	11.59	15.15	18.08	27.34	- Adj. EPS		3.24	4.13	3.54	7.15
DPS	11.33	13.13	10.00	21.34	- Auj. EPS - DPS		3.24	4.13	3.34	7.13
	•	•	•	-			•	•	•	•
Payout ratio	474	400	400	400	- Payout ratio		105	107	400	401
Shares outstanding	474	480	488	498	- Shares outstanding		485	487	489	491
Balance Sheet & Cash Flow Statement	FY16A	FY17A	FY18E	FY19E FY20E	Ratio Analysis	FY16A	FY17A	FY18E	FY19E	FY20E
Cash and cash equivalents	25,981	30,986	38,598	51.562	- Gross margin	35.1%	37.1%	38.2%	39.5%	
Accounts receivable	8,339	13,164	17,790	21,387	- EBITDA margin	11.4%	11.3%	11.5%	12.6%	_
Inventories	11,461	16,047	19,272	22,813	- EBIT margin	5.4%	4.8%	4.8%	6.0%	-
Other current assets	0	0	0	0	- Net profit margin	4.1%	4.2%	3.8%	4.9%	_
Current assets	45,781	60,197	75,660	95,762	-					
PP&E	29,114	48,866	63,700	- · · - · -	- ROE	34.3%	31.8%	28.2%	32.3%	_
LT investments	0	0	0		- ROA	7.6%	7.0%	6.2%	7.7%	_
Other non current assets	8,507	22,247	21,958	21,612	- ROCE	24.0%	19.5%	17.9%	22.4%	_
Total assets	83,402	131,310	161,319	199,120	- SG&A/Sales	6.6%	7.2%	7.4%	7.7%	_
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		= Net debt/equity	(94.8%)	(22.5%)			-
Short term borrowings	0	0	0	0	-	, ,	. ,		, ,	
Payables	25,309	34,616	40,768	49,904	- P/E (x)	133.3	102.0	85.4	56.5	-
Other short term liabilities	18,507	23,267	28,720	33,574	- P/BV (x)	-	-	-	-	-
Current liabilities	43,816	57,883	69,488	83,477	- EV/EBITDA (x)	43.4	34.1	24.7	18.4	-
Long-term debt	7,694	24,743	24,743	23,193	- Dividend Yield	-	-	-	-	-
Other long term liabilities	12,607	20,975	30,616	42,366	-					
Total liabilities	64,117	103,601	124,848	149,037	- Sales/Assets (x)	1.8	1.7	1.6	1.6	-
Shareholders' equity	19,285	27,709	36,471	50,083	- Interest cover (x)	40.3	31.0	22.2	28.6	-
Minority interests	-	-	-	-	- Operating leverage	228.8%	53.6%	97.9%	255.8%	-
Total liabilities & equity	83,402	131,310	161,319	199,120	•					
BVPS			-	•	 Revenue y/y Growth 	27.1%	30.8%	32.9%	20.7%	_
y/y Growth	_	_	_	_	- EBITDA y/y Growth	42.9%	29.6%	36.4%	31.3%	_
Net debt/(cash)	(18,287)	(6,243)	(13,855)	(28,369)	- Tax rate	20.5%	9.4%	10.0%	12.7%	_
Not debt (dd5ii)	(10,201)	(0,240)	(10,000)	(20,000)	Adj. Net Income y/y Growth	92.8%	33.1%	21.2%	54.2%	_
Cash flow from operating activities	17,271	18,434	28,818	39,408	- EPS y/y Growth	90.1%	30.7%	19.4%	51.2%	_
o/w Depreciation & amortization	8,117	11,478	16,014	18,599	- DPS y/y Growth	30.170	30.1 /0	13.470	51.270	_
o/w Changes in working capital	3,916	(171)	3,754	6,851	- Di o yry olowai					
Cash flow from investing activities	(9,876)	, ,		(15,864)	_					
o/w Capital expenditure	(6,736)	(10,057)	(13,355)	(15,864)	-					
as % of sales	5.0%	5.7%	5.7%	5.6%	_					
Cash flow from financing activities	(3,740)	9,861	(7,852)	(10,579)	_					
o/w Dividends paid	(5,740)	3,001	(1,002)	-	- -					
o/w Net debt issued/(repaid)	265	14,859	0	(1,550)	-					
Net change in cash	3,444	1,188	7,612	12,965	-					
Adj. Free cash flow to firm	10,839	8,963	16,571	24,637	-					
y/y Growth	39.7%		84.9%	48.7%	-					

Source: Company reports and J.P. Morgan estimates.

Note: \$ in millions (except per-share data). Fiscal year ends Dec. o/w - out of which



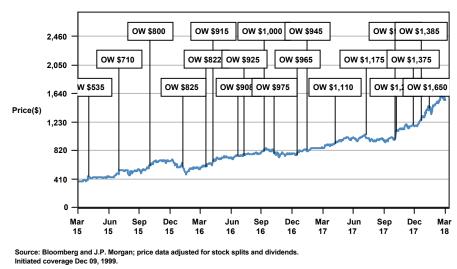
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Date	Rating	Share Price (\$)	Price Target (\$)
24-Apr-15	OW	445.10	535.00
24-Jul-15	OW	529.42	710.00
23-Oct-15	OW	599.03	800.00
29-Jan-16	OW	587.00	825.00
07-Apr-16	OW	591.43	822.00
29-Apr-16	OW	659.59	915.00
12-Jul-16	OW	748.21	908.00
29-Jul-16	OW	752.61	925.00
27-Sep-16	OW	799.16	1000.00
28-Oct-16	OW	776.32	975.00
03-Jan-17	OW	753.67	965.00
03-Feb-17	OW	839.95	945.00
28-Apr-17	OW	924.99	1110.00
28-Jul-17	OW	1046.00	1175.00
24-Oct-17	OW	975.90	1180.00
27-Oct-17	OW	1100.95	1220.00
18-Dec-17	OW	1190.58	1375.00
10-Jan-18	OW	1254.33	1385.00
02-Feb-18	OW	1429.95	1650.00

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IB clients*	53%	50%	35%
JPMS Equity Research Coverage	44%	46%	10%
IB clients*	70%	66%	54%

^{*}Percentage of investment banking clients in each rating category.

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Doug Anmuth (1-212) 622-6571 douglas.anmuth@jpmorgan.com J.P.Morgan