

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

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**FORM 10-Q**

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(Mark One)

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

For the quarterly period ended September 30, 2022  
or

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

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

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

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

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

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

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

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

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

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

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

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

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

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

10,201,654,176 shares of common stock, par value \$0.01 per share, outstanding as of October 19, 2022

### International

The International segment primarily consists of amounts earned from retail sales of consumer products (including from sellers) and subscriptions through internationally-focused online stores. This segment includes export sales from these internationally-focused online stores (including export sales from these online stores to customers in the U.S., Mexico, and Canada), but excludes export sales from our North America-focused online stores.

### AWS

The AWS segment consists of amounts earned from global sales of compute, storage, database, and other services for start-ups, enterprises, government agencies, and academic institutions.

Information on reportable segments and reconciliation to consolidated net income (loss) is as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2022	2021	2022
<b>North America</b>				
Net sales	\$ 65,557	\$ 78,843	\$ 197,473	\$ 222,517
Operating expenses	64,677	79,255	189,996	225,124
Operating income (loss)	\$ 880	\$ (412)	\$ 7,477	\$ (2,607)
<b>International</b>				
Net sales	\$ 29,145	\$ 27,720	\$ 90,515	\$ 83,544
Operating expenses	30,056	30,186	89,812	89,062
Operating income (loss)	\$ (911)	\$ (2,466)	\$ 703	\$ (5,518)
<b>AWS</b>				
Net sales	\$ 16,110	\$ 20,538	\$ 44,422	\$ 58,718
Operating expenses	11,227	15,135	31,183	41,082
Operating income	\$ 4,883	\$ 5,403	\$ 13,239	\$ 17,636
<b>Consolidated</b>				
Net sales	\$ 110,812	\$ 127,101	\$ 332,410	\$ 364,779
Operating expenses	105,960	124,576	310,991	355,268
Operating income	4,852	2,525	21,419	9,511
Total non-operating income (expense)	(537)	419	1,798	(14,485)
Benefit (provision) for income taxes	(1,155)	(69)	(4,179)	1,990
Equity-method investment activity, net of tax	(4)	(3)	3	(16)
Net income (loss)	\$ 3,156	\$ 2,872	\$ 19,041	\$ (3,000)

Net sales by groups of similar products and services, which also have similar economic characteristics, is as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2022	2021	2022
Net Sales:				
Online stores (1)	\$ 49,942	\$ 53,489	\$ 156,000	\$ 155,473
Physical stores (2)	4,269	4,694	12,387	14,006
Third-party seller services (3)	24,252	28,666	73,046	81,377
Subscription services (4)	8,148	8,903	23,645	26,029
Advertising services (5)	7,612	9,548	21,444	26,182
AWS	16,110	20,538	44,422	58,718
Other (6)	479	1,263	1,466	2,994
Consolidated	\$ 110,812	\$ 127,101	\$ 332,410	\$ 364,779

- (1) Includes product sales and digital media content where we record revenue gross. We leverage our retail infrastructure to offer a wide selection of consumable and durable goods that includes media products available in both a physical and digital format, such as books, videos, games, music, and software. These product sales include digital products sold on a transactional basis. Digital product subscriptions that provide unlimited viewing or usage rights are included in "Subscription services."
- (2) Includes product sales where our customers physically select items in a store. Sales to customers who order goods online for delivery or pickup at our physical stores are included in "Online stores."
- (3) Includes commissions and any related fulfillment and shipping fees, and other third-party seller services.
- (4) Includes annual and monthly fees associated with Amazon Prime memberships, as well as digital video, audiobook, digital music, e-book, and other non-AWS subscription services.
- (5) Includes sales of advertising services to sellers, vendors, publishers, authors, and others, through programs such as sponsored ads, display, and video advertising.
- (6) Includes sales related to various other offerings, such as certain licensing and distribution of video content and shipping services, and our co-branded credit card agreements.

## Results of Operations

We have organized our operations into three segments: North America, International, and AWS. These segments reflect the way the Company evaluates its business performance and manages its operations. See Item 1 of Part I, “Financial Statements — Note 8 — Segment Information.”

### Overview

Macroeconomic factors, including increased inflation and interest rates, the prolonged COVID-19 pandemic, global supply chain constraints, and global economic and geopolitical developments, have direct and indirect impacts on our results of operations that are difficult to isolate and quantify. These factors contributed to increases in our operating costs during Q3 2022, particularly across our North America and International segments, primarily due to a return to more normal, seasonal demand volumes in relation to our fulfillment network fixed costs, increased transportation and utility costs, and increased wage rates. In addition, rising fuel, utility, and food costs, rising interest rates, and recessionary fears may impact customer demand. We expect some or all of these factors to continue to impact our operations into Q4 2022.

### Net Sales

Net sales include product and service sales. Product sales represent revenue from the sale of products and related shipping fees and digital media content where we record revenue gross. Service sales primarily represent third-party seller fees, which includes commissions and any related fulfillment and shipping fees, AWS sales, advertising services, Amazon Prime membership fees, and certain digital content subscriptions. Net sales information is as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2022	2021	2022
Net Sales:				
North America	\$ 65,557	\$ 78,843	\$ 197,473	\$ 222,517
International	29,145	27,720	90,515	83,544
AWS	16,110	20,538	44,422	58,718
Consolidated	<u>\$ 110,812</u>	<u>\$ 127,101</u>	<u>\$ 332,410</u>	<u>\$ 364,779</u>
Year-over-year Percentage Growth (Decline):				
North America	10 %	20 %	23 %	13 %
International	16	(5)	35	(8)
AWS	39	27	36	32
Consolidated	15	15	28	10
Year-over-year Percentage Growth, excluding the effect of foreign exchange rates:				
North America	10 %	20 %	22 %	13 %
International	15	12	29	4
AWS	39	28	36	32
Consolidated	15	19	26	13
Net sales mix:				
North America	59 %	62 %	60 %	61 %
International	26	22	27	23
AWS	15	16	13	16
Consolidated	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

Sales increased 15% in Q3 2022, and 10% for the nine months ended September 30, 2022 compared to the comparable prior year periods. Changes in foreign currency exchange rates impacted net sales by \$(5.0) billion for Q3 2022 and by \$(10.5) billion for the nine months ended September 30, 2022. For a discussion of the effect of foreign exchange rates on sales growth, see “Effect of Foreign Exchange Rates” below.

North America sales increased 20% in Q3 2022, and 13% for the nine months ended September 30, 2022 compared to the comparable prior year periods. The sales growth primarily reflects increased unit sales, including sales by third-party sellers, and advertising sales. Increased unit sales were driven largely by our continued focus on price, selection, and convenience for our customers, including from our shipping offers.