

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

---

**FORM 10-Q**

---

(Mark One)

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

For the quarterly period ended March 31, 2023  
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 ☒

10,260,353,688 shares of common stock, par value \$0.01 per share, outstanding as of April 19, 2023

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

		Three Months Ended March 31,	
		2022	2023
<b>North America</b>			
Net sales	\$	69,244	\$ 76,881
Operating expenses		70,812	75,983
Operating income (loss)	\$	(1,568)	\$ 898
<b>International</b>			
Net sales	\$	28,759	\$ 29,123
Operating expenses		30,040	30,370
Operating loss	\$	(1,281)	\$ (1,247)
<b>AWS</b>			
Net sales	\$	18,441	\$ 21,354
Operating expenses		11,923	16,231
Operating income	\$	6,518	\$ 5,123
<b>Consolidated</b>			
Net sales	\$	116,444	\$ 127,358
Operating expenses		112,775	122,584
Operating income		3,669	4,774
Total non-operating expense		(8,934)	(655)
Benefit (provision) for income taxes		1,422	(948)
Equity-method investment activity, net of tax		(1)	1
Net income (loss)	\$	(3,844)	\$ 3,172

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

	Three Months Ended March 31,	
	2022	2023
Net Sales:		
Online stores (1)	\$ 51,129	\$ 51,096
Physical stores (2)	4,591	4,895
Third-party seller services (3)	25,335	29,820
Subscription services (4)	8,410	9,657
Advertising services (5)	7,877	9,509
AWS	18,441	21,354
Other (6)	661	1,027
Consolidated	\$ 116,444	\$ 127,358

- (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, shipping services, and health care 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 inflation, increased interest rates, significant capital market and supply chain volatility, and global economic and geopolitical developments, have direct and indirect impacts on our results of operations that are difficult to isolate and quantify. In addition, rising fuel, utility, and food costs, rising interest rates, and recessionary fears may impact customer demand and our ability to forecast consumer spending patterns. We also expect the current macroeconomic environment and enterprise customer cost optimization efforts to impact our AWS revenue growth rates. We expect some or all of these factors to continue to impact our operations into Q2 2023.

### 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 March 31,	
	2022	2023
Net Sales:		
North America	\$ 69,244	\$ 76,881
International	28,759	29,123
AWS	18,441	21,354
Consolidated	\$ 116,444	\$ 127,358
Year-over-year Percentage Growth (Decline):		
North America	8 %	11 %
International	(6)	1
AWS	37	16
Consolidated	7	9
Year-over-year Percentage Growth, excluding the effect of foreign exchange rates:		
North America	8 %	11 %
International	0	9
AWS	37	16
Consolidated	9	11
Net sales mix:		
North America	59 %	60 %
International	25	23
AWS	16	17
Consolidated	100 %	100 %

Sales increased 9% in Q1 2023 compared to the comparable prior year period. Changes in foreign exchange rates reduced net sales by \$2.4 billion for Q1 2023. For a discussion of the effect of foreign exchange rates on sales growth, see “Effect of Foreign Exchange Rates” below.

North America sales increased 11% in Q1 2023 compared to the comparable prior year period. The sales growth primarily reflects increased unit sales, primarily by third-party sellers, advertising sales, and subscription services. Increased unit sales were driven largely by our continued focus on price, selection, and convenience for our customers, including from our shipping offers.

International sales increased 1% in Q1 2023 compared to the comparable prior year period, primarily due to increased unit sales, primarily by third-party sellers, advertising sales, and subscription services, partially offset by the impact of changes in