Amazon.com Inc.
FY2023 Financial Statements Analysis

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Report Overview & Background

Description

This report is designed to provide a detailed overview of Amazon.com Inc.

Methodology

This report primarily relies on data from Amazon.com Inc.'s financial statements, as well as information from reliable online sources.

Company Overview

Amazon.com, Inc.

Business

The company has organized its operations into three segments: North America, International, Amazon Web Services (AWS). In each segment, the company serves consumers, sellers, developers, enterprises, content creators, advertisers, and employees.

Consumers

The company serves consumers through its online and physical stores and focuses on selection, price, and convenience. The company also manufactures and sells electronic devices, including Kindle, Fire tablet, Fire TV, Echo, Ring, Blink, and eero, while also developing and producing media content. In addition, the company offers subscription services, such as Amazon Prime.

The company fulfills customer orders in a number of ways, including through: North America and International fulfillment networks that we operate; co-sourced and outsourced arrangements in certain countries; digital delivery; and through its physical stores.

Sellers

The company offers programs that enable sellers to grow their businesses, sell their products in its stores, and fulfill orders using its services. The company earns fixed fees, a percentage of sales, per-unit activity fees, interest, or some combination thereof, for its seller programs.

Developers and Enterprises

The company serves developers and enterprises of all sizes through AWS, which offers a broad set of on-demand technology services, including compute, storage, database, analytics, and machine learning, and other services.

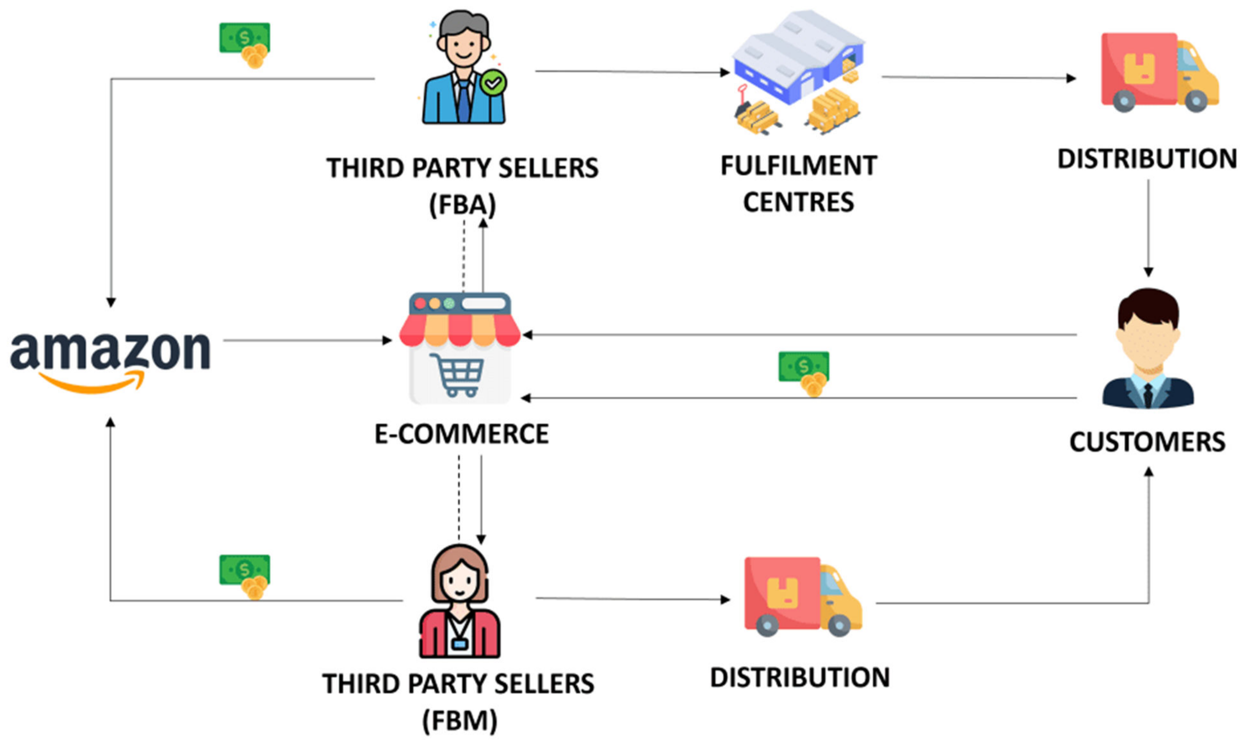
Content Creators

The company offers programs that allow authors, independent publishers, musicians, filmmakers, Twitch streamers, skill and app developers, and others to publish and sell content.

Advertisers

The company provides advertising services to sellers, vendors, publishers, authors, and others, through programs such as sponsored ads, display, and video advertising.

Wholesale Business Model



Subscription Services

prime

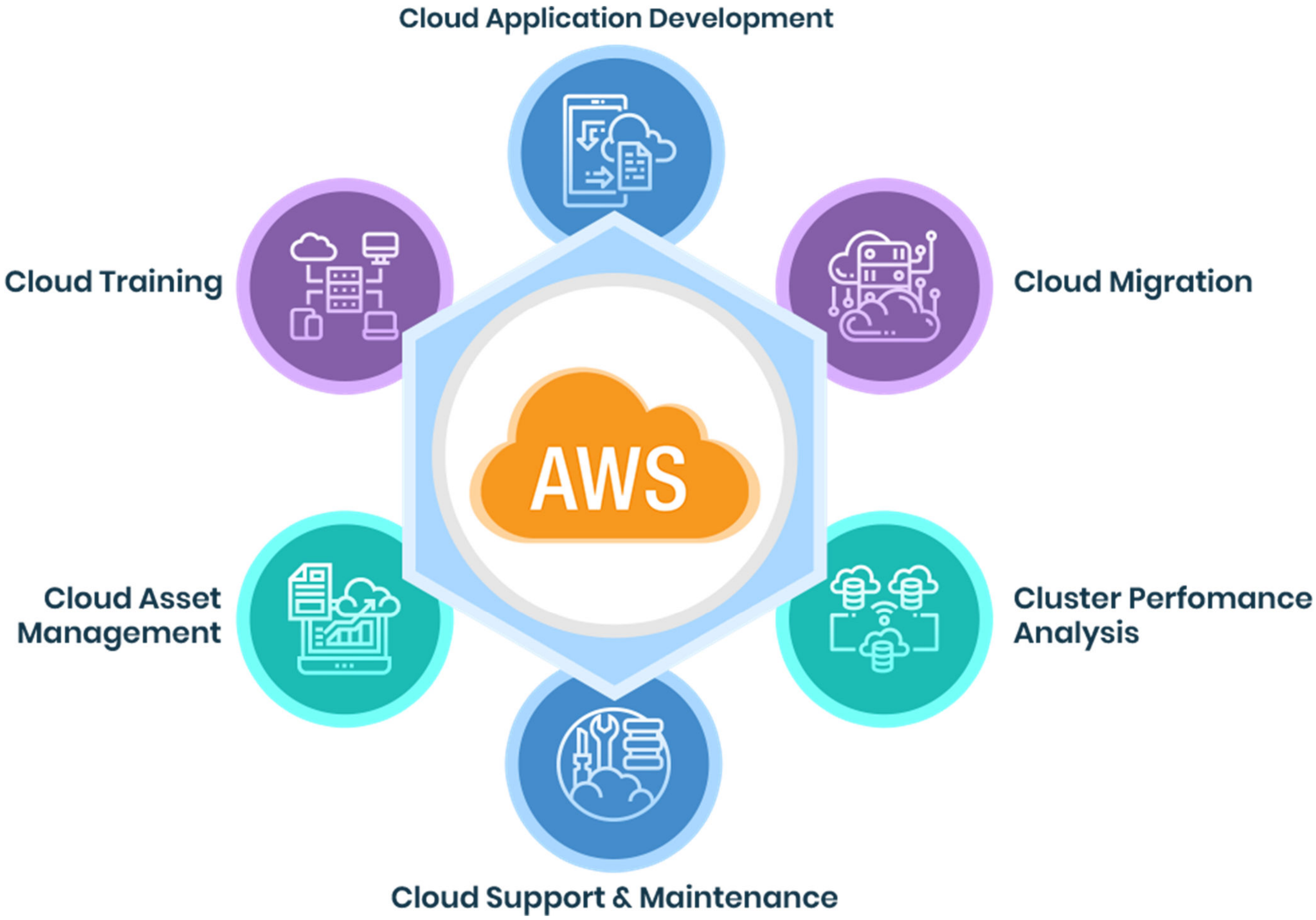
amazon kindle

audible
an amazon company

amazon music
UNLIMITED

amazon
book box

AWS Services



The company's **primary source of revenue is the sale of a wide range of products and services to customers**. The products offered through its stores include merchandise and content the company purchased for resale and products offered by offered by third-party sellers as well as electronic devices manufactured and sold by the company. Generally, the company recognizes gross revenue from items it sells from its inventory as **product sales** and recognizes its net share of revenue of items sold by third-party sellers as **service sales**.

The company's **financial focus is on long-term, sustainable growth in free cash flows**. Free cash flows are driven primarily by increasing operating income and efficiently managing accounts receivable, inventory, accounts payable, and cash capital expenditures.

The company seeks to **reduce its variable costs per unit and work to leverage its fixed costs**. The company's variable costs include product and content costs, payment processing and related transaction costs, picking, packaging, and preparing orders for shipment, transportation, customer service support, costs necessary to run AWS, and a portion of its marketing costs. The company's fixed costs include the costs necessary to build and run its technology infrastructure; to build, enhance, and add features to its online stores, web services, electronic devices, and digital offerings; and to build and optimize its fulfillment network. To decrease its variable costs on a per unit basis and enable the company to lower prices for customers, the company seeks to increase its direct sourcing, increase discounts from suppliers, and reduce defects in its processes, while minimizing unnecessary growth in fixed costs by improving process efficiencies and maintain a lean culture.

The company also seeks to **efficiently manage shareholder dilution while maintaining the flexibility to issue shares for strategic purposes**. The company utilizes restricted stock units as its primary vehicle for equity compensation because the company believes this compensation model aligns the long-term interests of its shareholders and employees. In measuring shareholder dilution, the company includes all vested and unvested stock awards outstanding, without regard to estimated forfeitures.

Competition

The company's current and potential competitors include:

- Physical, e-commerce, and omnichannel retailers, publishers, vendors, distributors, manufacturers, and producers of the products the company offers and sells to consumers and businesses (Walmart, Costco, Alibaba, etc.);
- Publishers, producers, and distributors of physical, digital, and interactive media of all types and all distribution channels (Sony Music, Spotify, Netflix, Microsoft Xbox, etc.);
- Web search engines, comparison shopping websites, social networks, web portals, and other online and app-based means of discovering, using, or acquiring goods and services, either directly or in collaboration with other retailers (Google, Bing, Facebook, TikTok, Pinterest, etc.);
- Companies that provide e-commerce services, including website development and hosting, omnichannel sales, inventory and supply chain management, advertising, fulfillment, customer service, and payment processing (Shopify, Salesforce, PayPal, etc.);
- Companies that provide fulfillment and logistics services for themselves or for third parties, whether online or offline (FedEx, UPS, DHL, Rakuten Super Logistics, etc.);
- Companies that provide information technology services or products, including on-premises or cloud-based infrastructure and other services (Microsoft Azure, Google Cloud, IBM Cloud, Oracle, Dell, etc.);
- Companies that sell grocery products online and in physical stores (Instacart, Kroger, etc.);
- Companies that provide advertising services, whether in digital or other formats (Google Ads, Facebook Ads, TikTok Ads, etc.).

The company believes that **the principal competitive factors in its retail businesses include selection, price, and convenience, including fast and reliable fulfillment.** Additional competitive factors for its seller and enterprise services include **the quality, speed, and reliability of its services and tools, as well as customers' ability and willingness to change business practices**.

Employees & Labor Relations

As of December 31, 2023, the company employed approximately 1,525,000 full-time and part-time employees. The company also use independent contractors and temporary personnel to supplement its workforce.

Property

As of December 31, 2023, we operated the following facilities (in thousands):

Description of Use	Leased Square Footage (1)	Owned Square Footage	Location
Office space	29,655	9,222	North America
Office space	24,528	1,802	International
Physical stores (2)	22,871	707	North America
Physical stores (2)	255	—	International
Fulfillment, data centers, and other	413,017	25,630	North America
Fulfillment, data centers, and other	173,765	14,802	International
Total	664,091	52,163	

(1) For leased properties, represents the total leased space excluding sub-leased space.
(2) This includes 600 North America and 28 International stores as of December 31, 2023.

Key Risk Factors Unique to Amazon.com. Inc.

- ***The Variability in the Company's Retail Business Places Increased Strain on Its Operations***
    - Demand for its products and services can fluctuate significantly for many reasons, including as a result of seasonality, promotions, product launches, or unforeseeable events, such as in response to global economic conditions such as recessionary fears or rising inflation, natural or human-caused disasters (including public health crises) or extreme weather (including as a result of climate change), or geopolitical events. The company's failure to stock or restock popular products in sufficient amounts such that it fails to meet customer demand could significantly affect its revenue and our future growth.

- ***International Operations Exposes the Company to a Number of Risks***
    - The company's international activities are significant to its revenues and profits, and it plans to further expand internationally. In certain international market segments, the company has relatively little operating experience and may not benefit from any first-to-market advantages or otherwise succeed. It is costly to establish, develop, and maintain international operations and stores, and promote its brand internationally. The company's international operations may not become profitable on a sustained basis.

- ***The Company Has Foreign Exchange Risk***
    - The results of operations of, and certain of its intercompany balances associated with, its international stores and product and service offerings are exposed to foreign exchange rate fluctuations. Due to these fluctuations, operating results may differ materially from expectations, and the company may record significant gains or losses on the remeasurement of intercompany balances. As the company has expanded its international operations, its

exposure to exchange rate fluctuations has increased. The company also holds cash equivalents and/or marketable securities in foreign currencies. When the U.S. Dollar strengthens compared to these currencies, cash equivalents, and marketable securities balances, when translated, may be materially less than expected and vice versa.

Timeline of Amazon's Biggest Acquisitions

Source: FE International

1998: IMDb – Moving Beyond Books ($55 Million)

Amazon bought the leading website for movie fans and critics, IMDb, to expand beyond just selling books. Amazon simply added a link to buy the DVD on each movie's profile, so IMDb's movie fans are just one click away from purchasing DVDs with Amazon. This acquisition laid the groundwork for Amazon Prime Video with IMD's metadata serving as the backbone for curating, recommending, and cataloging their eventual streaming services.

2004: Joyo – Expanding to China ($75 Million)

Joyo, well-established e-commerce business with a strong brand and logistical network, was the perfect target for Amazon to break into the China market. However, Amazon eventually withdrew from the Chinese market due to intense competition, from Alibaba and JD.com, and complex legal challenges.

2009: Zappos – More than Shoes ($1.2 Billion)

Amazon was struggling to get a foothold in the fashion and footwear market with challenges like sizing, style, and returns. Zappos was a market leader in the category, and the acquisition also brought Amazon Zappos' expertise in customer service. The influence of Zappos can still be seen in Amazon's operations today, like its hassle-free returns.

2012: Kiva Systems – Smarter Warehouses ($775 Million)

With more customers buying products online, Amazon needed to deliver more packages more efficiently, including streamlining fulfillment centers. By acquiring Kiva Systems, Amazon gained exclusive access to the technology. In 2024, there are 750,000 robots across its operations, matching nearly half of its human workforce. This acquisition was critical to Amazon delivering on its promises of two-day Prime shipping and, later, same-day shipping.

2014: Twitch – Live Streaming and Gaming ($970 Million)

Amazon did not have a social media platform like Google or Facebook. Livestreaming in gaming was exploding in popularity. Acquiring Twitch gave Amazon access to a young, tech-savvy audience and a rapidly growing market. Amazon integrated Twitch into its ecosystem by offering Prime members exclusive perks and connecting Twitch's users to its suite of products. Today, Twitch is central to Amazon's digital entertainment strategy, driving advertising revenue and solidifying Amazon's position in the gaming industry.

2017: Whole Foods – Physical Retail and Digital Groceries ($13.7 Billion)

This was Amazon's biggest move into brick-and-mortar retail. Whole Foods brought Amazon access to a nationwide network of physical stores, providing a foundation to merge online and offline shopping. Amazon quickly integrated Whole Foods into its ecosystem by offering Prime-exclusive discounts and launching its delivery service, Amazon Fresh. The acquisition allowed Amazon to leverage its logistics network and cater to the growing demand for fresh, organic produce delivered straight to customers' doors.

2018: Ring – Smart Homes Get Smarter ($1 Billion)
With Ring, Amazon gained a strong foothold in home security, complementing its Alexa-powered Echo devices. The acquisition further builds out Amazon's ecosystem of connected devices and increases its presence in the IoT market.

2018: PillPack – An Online Pharmacy ($753 Million)
This acquisition gave Amazon pharmacy licenses in all 50 U.S. states. PilPack is an online pharmacy known for pre-sorting and delivering medication. PillPack's streamlined prescription management aligned perfectly with Amazon's logistics expertise, forming the foundation for Amazon Pharmacy launched in 2020. PillPack is central to Amazon's healthcare strategy, offering convenient medication delivery and price transparency, and helping Amazon expand into the growing online pharmacy market.

2019: Eero – Strengthening Smart Home Connectivity ($97 Million)
Everyone has a room in their house without Wi-Fi and that's a big problem for smart devices. Eero's mesh Wi-Fi technology eliminates dead zones and creates reliable internet coverage throughout an entire home. By acquiring Eero, Amazon both solved this issue and expanded its presence in the hardware space – aligning with its mission to provide seamless connectivity for its growing suite of IoT devices, including Alexa-enabled Echo products and Ring security systems.

2020: Zoox – Driving Autonomous Vehicle ($1.2 Billion)
Zook's mission is to develop fully autonomous, zero-emissions vehicles. The acquisition offers Amazon potential in two key areas: improving last-mile delivery logistics and establishing a foothold in the ride-hailing market. Zoox's autonomous vehicle technology could revolutionize package delivery by introducing driverless delivery vehicles, reducing costs, and increasing efficiency.

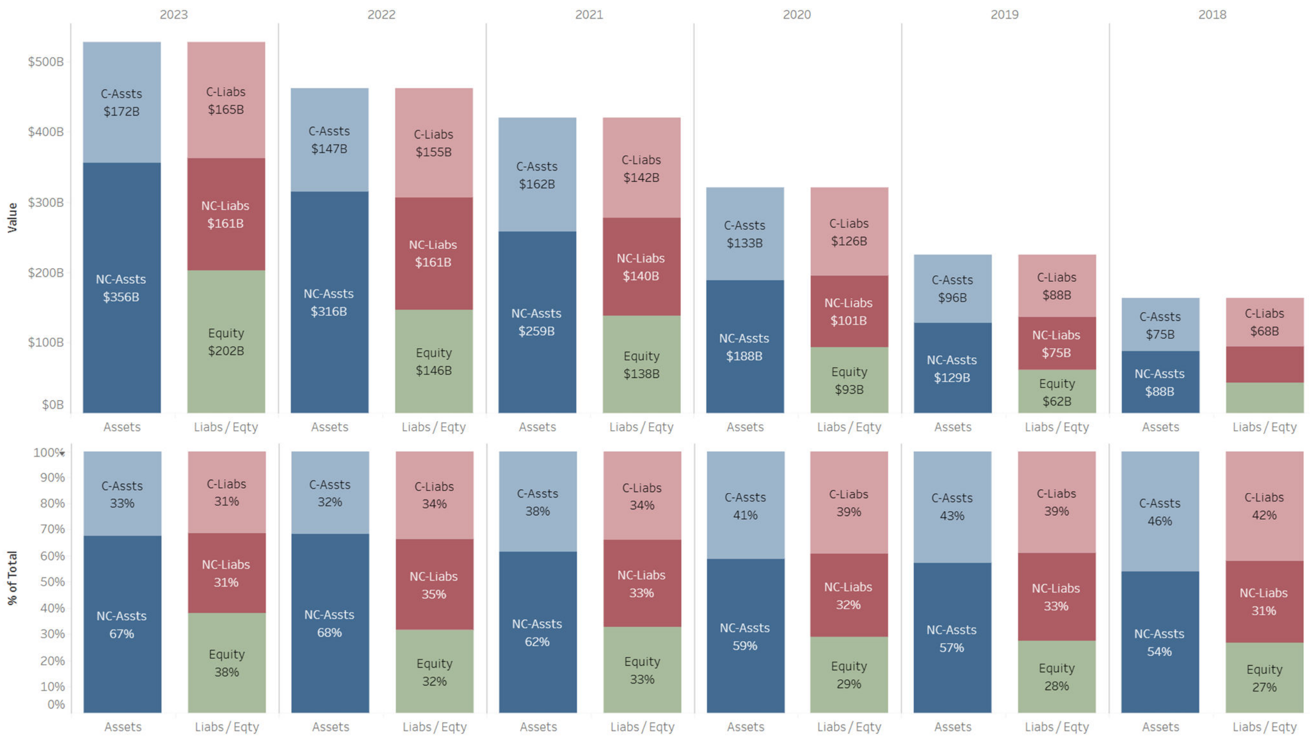
2022: MGM Studios – Doubling Down on Media ($8.5 Billion)
By picking up MGM, Amazon Prime scooped up over 4,000 films and 17,000 TV episodes, including iconic franchises like *James Bond* and *Rocky*. The acquisition brought Amazon a massive library of intellectual property (IP) to fuel original content production needed to compete against streaming rivals like Netflix and Disney+.

2023: One Medical – Expanding into Primary Care ($3.9 Billion)
One Medical is a membership-based primary care provider – combining in-person care with telehealth services. This acquisition marked a major step in Amazon's healthcare strategy, giving the company access to One Medical's network of over 200 clinics and a digital health platform designed to streamline patient care. The move highlights Amazon's ambition to disrupt the healthcare industry, positioning it to offer folistic, tech-driven healthcare solutions.

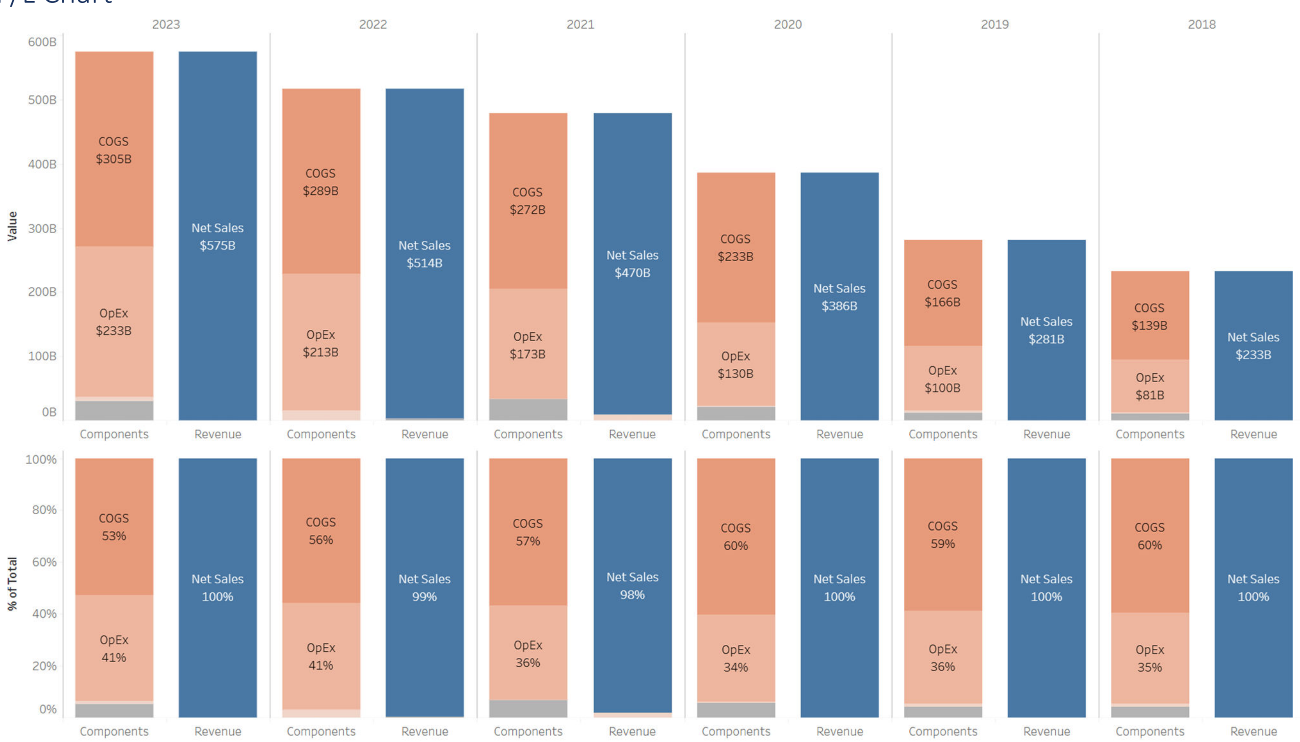
Amazon's each purchase shows an expansion into a new region, product, or niche. It's all unified under a clear vision for the company – into areas that align with what Amazon is now known for: e-commerce, smart homes, operations, digital media, healthcare, and now AI.

Horizontal Analysis

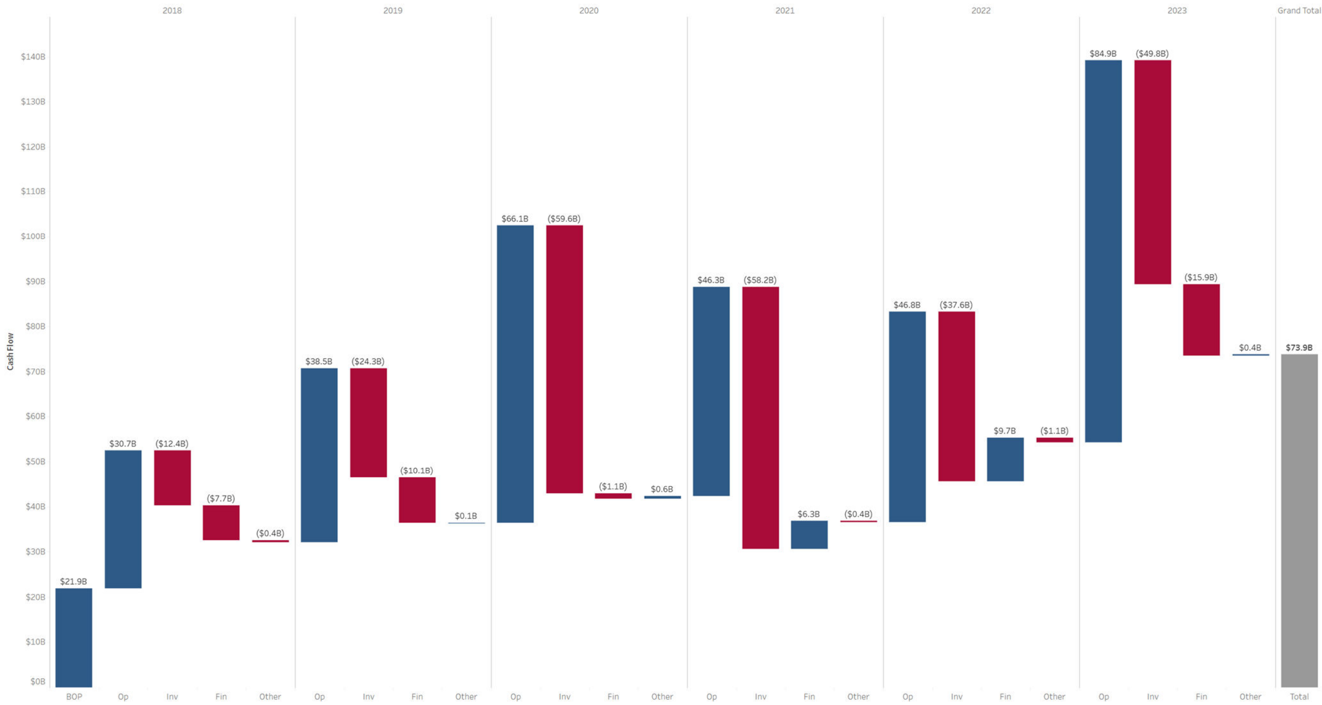
Balance Sheet Chart



P/L Chart



Cash Flow Chart (left to right)



Historical Financial Ratios

	Ratio	2023	2022	2021	2020	2019	5 Yrs Avg
	DSO	30.04	26.72	22.31	21.44	24.39	**24.98**
	DIO	40.56	42.36	37.82	34.65	41.53	**39.38**
	DPO	98.92	99.39	98.14	92.34	92.27	**96.21**
Activity Ratio	Cash Conversion Cycle	-28.32	-30.31	-38.01	-36.26	-26.35	**-31.85**
	Fixed Assets Turnover	2.94	2.96	3.44	4.16	4.17	**3.53**
	Working Capital Turnover	-984.22	95.96	36.62	51.93	36.83	**-152.58**
	Total Assets Turnover	1.16	1.16	1.27	1.41	1.45	**1.29**
	Equity Turnover	3.30	3.62	4.06	4.97	5.31	**4.25**
	Current Ratio	1.05	0.94	1.14	1.05	1.10	**1.05**
Liquidity Ratio	Quick Ratio	0.84	0.72	0.91	0.86	0.86	**0.84**
	Cash Ratio	0.44	0.35	0.25	0.33	0.41	**0.36**
	Defensive Interval	n/a	n/a	n/a	n/a	n/a	**n/a**
	Debt-to-Equity	0.77	1.06	0.96	1.08	1.25	**1.02**
	Debt-to-Capital	0.43	0.51	0.49	0.52	0.56	**0.50**
Solvency Ratio	Debt-to-Assets	0.29	0.33	0.31	0.31	0.34	**0.32**
	Financial Leverage	2.85	3.11	3.20	3.51	3.67	**3.27**
	Interest Coverage	11.88	-1.93	21.84	15.34	9.22	**11.27**
	Gross Profit Margin	47.0%	43.8%	42.0%	39.6%	41.0%	**42.7%**
	Operating Profit Margin	6.4%	2.4%	5.3%	5.9%	5.2%	**5.0%**
	EBIT Margin	6.6%	-0.9%	8.4%	6.5%	5.3%	**5.2%**
	Pre-Tax Margin	6.5%	-1.2%	8.1%	6.3%	5.0%	**4.9%**
Profitability	Net Profit Margin	5.3%	-0.5%	7.1%	5.5%	4.1%	**4.3%**
	Return on Assets	6.1%	-0.6%	9.0%	7.8%	6.0%	**5.7%**
	Operating Return on Assets	7.4%	2.8%	6.7%	8.4%	7.5%	**6.6%**
	Reuturn on Total Capital	11.2%	4.3%	10.7%	13.7%	13.4%	**10.7%**
	Return on Equity	17.5%	-1.9%	28.8%	27.4%	21.9%	**18.8%**
	Earnings Per Share (Basic)	2.95	-0.27	3.30	2.13	1.17	**1.86**
	Earnings Per Share (Diluted)	2.90	-0.27	3.24	2.09	1.15	**1.82**
Valuation	P/E Ratio	52.39	0.00	51.35	77.79	80.11	**52.33**
	Dividend Payout Ratio (DPR)	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
	Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**

* conditional formatting applied by row

Long-Term Debt (Most Recent Years)

(In Millions)

	Maturities (1)	Stated Interest Rates	Effective Interest Rates	December 31, 2022	December 31, 2023
2014 Notes issuance of $6.0 billion	2024 - 2044	3.80% - 4.95%	3.90% - 5.12%	4,000	4,000
2017 Notes issuance of $17.0 billion	2024 - 2057	2.80% - 5.20%	2.95% - 4.33%	16,000	15,000
2020 Notes issuance of $10.0 billion	2025 - 2060	0.80% - 2.70%	0.88% - 2.77%	10,000	9,000
2021 Notes issuance of $18.5 billion	2024 - 2061	0.45% - 3.25%	0.57% - 3.31%	18,500	17,500
April 2022 Notes issuance of $12.8 billion	2024 - 2062	2.73% - 4.10%	2.83% - 4.15%	12,750	12,750
December 2022 Notes issuance of $8.3 billion	2024 - 2032	4.55% - 4.70%	4.61% - 4.83%	8,250	8,250
Credit Facility				1,042	682
Total face value of long-term debt				70,542	67,182
Unamortized discount and issuance costs, net				(393)	(374)
Less: current portion of long-term debt				(2,999)	(8,494)
Long-term debt				$ 67,150	$ 58,314

Maturities of Long-Term Debt / Estimated Debt Service Requirements

2024	$	8,500
2025		5,286
2026		3,146
2027		8,750
2028		2,250
Thereafter		39,250
	$	67,182

Key Financial Insights

Refer to the Supplemental Data section for additional details on Amazon's Balance Sheet, Income Statement, Equity Statement, and Cash Flow Statement to better understand the insights discussed below.

- (BL/Ratio) ***The company's capital structure has been well balanced with current liabilities, non-current liabilities, and equity with around 30%-40% for each.***
  - The company's current liabilities primarily consist of accounts payable (16.1% of total liabilities/equity in 2023) and accrued expenses (12.3%).
    - This suggests a reliance on short-term financing to manage day-to-day operations and obligations. This is typical for a retail or e-commerce business like Amazon, where the company deals with many suppliers and incurs operational expenses.
    - A high level of current liabilities also indicates Amazon's significant purchasing power and negotiation leverage with suppliers.

- The company's non-current liabilities primarily consist of long-term lease liabilities (14.6%) and long-term debt (11.0%).
    - Lease liabilities reflect the company's substantial commitment to long-term leases for warehouses, data centers, and office, and physical store facilities as well as server and networking equipment, aircraft, and vehicles.

    - The company appears to rely on debt financing to some extent but does not overburden itself with excessive leverage. The company's historical interest coverage ratio indicates its ability to generate enough EBIT to easily cover interest payments (except for 2022, where the company had negative interest coverage ratio).

- The company's equity primarily consists of retained earnings (21.5%) and additional paid-in capital (18.8%), partially offset by treasury stock (-1.5%) and accumulated other comprehensive loss (-0.6%).
    - The significant amount of retained earnings suggests that the company reinvests its profit back into the business rather than distributing them as dividends (Ending Retained Earnings = Beginning Retained Earnings + Net Income – Dividends Paid).

    - Its additional paid-in capital reflects investor confidence and the capital raised from equity issuances.

- (BL) ***About 70% of its assets are non-current assets.***
    - The company's non-current assets primarily consist of PP&E (38.7% of its total assets in 2023), operating leases (13.7%), and other assets (10.6%).
        - The company's property includes buildings and land that the company owns, along with property it has acquired under build-to-suit lease arrangements when the company has control over the building during the construction period and finance lease arrangements.

        - The company's equipment includes assets such as servers and networking equipment, heavy equipment, and other fulfillment equipment.

        - As mentioned earlier, the company has long-term leases for warehouses, data centers, and office, and physical store facilities as well as server and networking equipment, aircraft, and vehicles.
            - Prior to 2018, only finance leases were recorded on the balance sheet. However, there was a major change in lease accounting in 2018 and lessees are now required to recognize most operating leases on their balance sheets as a right-of-use (ROU) asset and a lease liability. The update aims to provide investors and stakeholders with a clearer picture of a company's lease obligations and their financial impacts. This is why leases account for a significant portion of balance sheet for both assets and liabilities.

- (PL) ***The company's business scale is significant ($600 billion in sales revenue), but its profitability is low due to high COGS % and OpEx %***.
    - The North America segment primarily consists of amounts earned from retail sales of consumer products (including from sellers) and advertising and subscription services through North America-focused online and physical stores. This segment includes export sales from these online stores.

    - The International segment primarily consists of amounts earned from retail sales of consumer products (including from sellers) and advertising and subscription services 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 its North America-focused online stores.

    - 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.

    - The chart below shows that the North America segment typically accounts for the largest portion of the company's net sales, followed by the International and AWS segments. However, operating margin tells a very different story: the AWS segment has a much higher margin while the North America and International segments have very low margins. This is likely due to the nature of retail and tech business models. Retail businesses rely on a high-volume-low-margin strategy due to a cost-plus pricing model, whereas tech businesses typically enjoy higher margins as they offer services and solutions that are scalable, often with lower incremental costs. This allows them to generate significant profits once initial development and infrastructure costs are covered.

	% of Total				
Net Sales	**2023**	**2022**	**2021**	**2020**	**2019**
North America	61%	61%	60%	61%	61%
International	23%	23%	27%	27%	27%
AWS	16%	16%	13%	12%	12%
	100%	**100%**	**100%**	**100%**	**100%**

	% of Total				
Operating Income	**2023**	**2022**	**2021**	**2020**	**2019**
North America	40%	-23%	29%	38%	48%
International	-7%	-63%	-4%	3%	-12%
AWS	67%	186%	74%	59%	63%
	100%	**100%**	**100%**	**100%**	**100%**

Operating Margin	**2023**	**2022**	**2021**	**2020**	**2019**
North America	4.2%	-0.9%	2.6%	3.7%	4.1%
International	-2.0%	-6.6%	-0.7%	0.7%	-2.3%
AWS	27.1%	28.5%	29.8%	29.8%	26.3%
	6.4%	**2.4%**	**5.3%**	**5.9%**	**5.2%**

- The company's operating expenses provide additional insights. Its retail-related expenses (cost of sales and fulfillment) typically account for about 75%-80% of its total operating expenses, whereas its tech-related expenses (technology and infrastructure) account for much less, around 12%-16%.

	% of Total				
Operating Expenses	**2023**	**2022**	**2021**	**2020**	**2019**
Cost of sales	57%	58%	61%	64%	62%
Fulfillment	17%	17%	17%	16%	15%
Technology and infrastructure	16%	15%	13%	12%	14%
Sales and marketing	8%	8%	7%	6%	7%
General and administrative	2%	2%	2%	2%	2%
Other operating expense (income), net	0%	0%	0%	0%	0%
	100%	**100%**	**100%**	**100%**	**100%**

- (PL) ***The company had income from non-operating activities in 2021***.
  - Included in other income, net in 2021 is a marketable equity securities gain from its equity investment in Rivian Automotive, Inc., an electric vehicle startup. When Rivian went public in November 2021, its stock surged, significantly increasing the value of Amazon's investment.

- (PL) ***The company had negative net income in 2022***.
  - The company's operating income decreased by 50.8% in 2022, compared to the prior year, primarily due to increased fulfillment and shipping costs, due in part to increases in investments in its fulfillment network, transportation costs, and wage rates and incentives, increased technology and content costs, and growth in certain operating expenses, partially offset by increased unit sales, including sales by third-party sellers, and advertising sales. Changes in foreign currency exchange rates positively impacted the North America operation but negatively affected the International operation.

  - The company also reported a significant other loss in 2022, which contributed to a negative EBIT and EBT. The loss was primarily due to a sharp decline in Rivian Automotive, Inc.'s stock price as shown below. Although this loss was partially offset by an income tax benefit, but the company still ended the year with a negative net income of $2.7 billion.

- (PL) ***The company's interest burden appears to be very low***.
    - The company's historical interest coverage ratio (5 years average of 11.27) indicates a strong ability to generate sufficient cash flow from operating activities to cover interest payment. However, the company had a negative interest coverage ratio in 2022, driven by negative EBIT, primarily due to losses from its equity investment in Rivian Automotive, Inc. Nevertheless, the company's operating income was sufficient to cover its interest payments for 2022, so this is not a major concern.

- (CF) ***The company had positive cash flows from financing activities in 2021 and 2022***.
    - Positive cash flows from financing activities in 2021 and 2022 were primarily driven by proceeds from short-term debt and long-term debt, partially offset by share repurchases and repayments of debt, finance leases, and financing obligations.
    - The company does not provide further details on the positive cash flows from financing activities in 2021 and 2022. However, the positive cash flow in 2021 appears to be due to the company financing investments by taking on debt what operating cash flows could not. In 2022, it seems that the company raised financing to cover losses from equity investment in Rivian Automotive, Inc. and to increase its EOP cash balances.

- (CF) ***The company generates so much cash from operating activities that it has increased EOP cash balances even after spending on investing and financing activities***.
    - The company's strong and consistent cash flow from its core business operations provides financial flexibility, reduces reliance on external financing, supports growth opportunities, and enhances resilience. As the company scales its operations, its cash needs will increase, and it appears to have successfully managed this so far.

- (Debt) ***The company appears to have very favorable debt terms with longer maturities***.
    - The company's interest rates are relatively low, ranging from 0.45% to 5.20%, with long maturities. This indicates strong creditworthiness and financial stability. These favorable terms help the company lower financial risk, reduce overall borrowing costs, and allocate cash flow toward growth initiatives rather than short-term debt payments.

Final Notes

Capital Structure

- Balanced mix of current liabilities, non-current liabilities, and equity.
- Current liabilities mainly include accounts payable and accrued expenses, reflecting strong purchasing power and supplier leverage.
- Non-current liabilities consist of long-term leases and long-term debt, supporting infrastructure investments.
- Retained earnings and additional paid-in capital indicate reinvestment and investor confidence.

Asset Composition

- 70% of assets are non-current, mainly PP&E and operating leases.
- Investments in warehouses, data centers, fulfillment, and transportation assets support long-term growth.

Revenue & Profitability

- High revenue but low margins due to high COGS and OpEx.
- The AWS segment drives profitability, whereas retail operations have lower margins.

Liquidity & Solvency

- Strong operating cash flow ensures liquidity and reduces reliance on external financing.
- Interest coverage ratio indicates the ability to meet debt obligations, though 2022 showed temporary weakness due to Rivian losses.
- Favorable debt terms with low interest rates and long maturities.

Cash Flow

- Strong operating cash flow allows reinvestment and financial flexibility.

Supplemental Data

Amazon.com, Inc.

Net Sales by Reportable Segment

(In Millions)

						% of Total					% Change			
Net Sales [1]	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**
North America	$ 352,828	$ 315,880	$ 279,833	$ 236,282	$ 170,773	61%	61%	60%	61%	61%	+11.7%	+12.9%	+18.4%	+38.4%
International	$ 131,200	$ 118,007	$ 127,787	$ 104,412	$ 74,723	23%	23%	27%	27%	27%	+11.2%	-7.7%	+22.4%	+39.7%
AWS	$ 90,757	$ 80,096	$ 62,202	$ 45,370	$ 35,026	16%	16%	13%	12%	12%	+13.3%	+28.8%	+37.1%	+29.5%
	$ 574,785	**$ 513,983**	**$ 469,822**	**$ 386,064**	**$ 280,522**	**100%**	**100%**	**100%**	**100%**	**100%**	**+11.8%**	**+9.4%**	**+21.7%**	**+37.6%**

[1] 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 the company records 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 media content subscriptions.

						% of Total					% Change			
Net Sales	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**
Online stores [1]	$ 231,872	$ 220,004	$ 222,075	$ 197,346	$ 141,247	40%	43%	47%	51%	50%	+5.4%	-0.9%	+12.5%	+39.7%
Physical stores [2]	$ 20,030	$ 18,963	$ 17,075	$ 16,227	$ 17,192	3%	4%	4%	4%	6%	+5.6%	+11.1%	+5.2%	-5.6%
Third-party seller services [3]	$ 140,053	$ 117,716	$ 103,366	$ 80,461	$ 53,762	24%	23%	22%	21%	19%	+19.0%	+13.9%	+28.5%	+49.7%
Advertising services [4]	$ 46,906	$ 37,739	$ 31,160	$ 25,207	$ 19,210	8%	7%	7%	7%	7%	+24.3%	+21.1%	+23.6%	+31.2%
Subscription services [5]	$ 40,209	$ 35,218	$ 31,768	$ 19,773	$ 12,625	7%	7%	7%	5%	5%	+14.2%	+10.9%	+60.7%	+56.6%
AWS	$ 90,757	$ 80,096	$ 62,202	$ 45,370	$ 35,026	16%	16%	13%	12%	12%	+13.3%	+28.8%	+37.1%	+29.5%
Other [6]	$ 4,958	$ 4,247	$ 2,176	$ 1,680	$ 1,460	1%	1%	0%	0%	1%	+16.7%	+95.2%	+29.5%	+15.1%
	$ 574,785	**$ 513,983**	**$ 469,822**	**$ 386,064**	**$ 280,522**	**100%**	**100%**	**100%**	**100%**	**100%**	**+11.8%**	**+9.4%**	**+21.7%**	**+37.6%**

[1] Includes product sales and digital media content where the company records revenue gross.
[2] Includes product sales where its customers physically select items in a store.
[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, suthors, and others, through programs such as sponsored ads, display, and video advertising.
[6] df Includes sales related to various other service offerings, such as certain licensing and distribution of video content, health care services, and shipping services, and its co-branded credit card agreements.

Historical Operating Expenses

(In Millions)

						% of Total					% Change			
Operating Expenses	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**
Cost of sales [1]	$ 304,739	$ 288,831	$ 272,344	$ 233,307	$ 165,536	57%	58%	61%	64%	62%	+5.5%	+6.1%	+16.7%	+40.9%
Fulfillment [2]	$ 90,619	$ 84,299	$ 75,111	$ 58,517	$ 40,232	17%	17%	17%	16%	15%	+7.5%	+12.2%	+28.4%	+45.4%
Technology and infrastructure [3]	$ 85,622	$ 73,213	$ 56,052	$ 42,740	$ 35,931	16%	15%	13%	12%	14%	+16.9%	+30.6%	+31.1%	+19.0%
Sales and marketing	$ 44,370	$ 42,238	$ 32,551	$ 22,008	$ 18,878	8%	8%	7%	6%	7%	+5.0%	+29.8%	+47.9%	+16.6%
General and administrative	$ 11,816	$ 11,891	$ 8,823	$ 6,668	$ 5,203	2%	2%	2%	2%	2%	-0.6%	+34.8%	+32.3%	+28.2%
Other operating expense (income), net	$ 767	$ 1,263	$ 62	$ (75)	$ 201	0%	0%	0%	0%	0%	-39.3%	+1937.1%	+182.7%	-137.3%
	$ 537,933	**$ 501,735**	**$ 444,943**	**$ 363,165**	**$ 265,981**	**100%**	**100%**	**100%**	**100%**	**100%**	**+7.2%**	**+12.8%**	**+22.5%**	**+36.5%**

*[1] **Cost of sales** primarily consists of the purchase price of consumer products, inbound and outbound shipping costs, including costs related to sortation and delivery centers and where the company is the transportation service provider, and digital media content costs where the company records revenue gross, including video and music. Shipping costs to receive products from its suppliers are included in its inventory and recognized as cost of sales upon sale of products to its customers. Costs to operate its AWS segment are primarily classified as "Technology and infrastructure" as the company leverages a shared infrastructure that supports both its internal technology requirements and external sales to AWS customers.*

*[2] **Fulfillment costs** primarily consist of those costs incurred in operating and staffing its North America and International fulfillment centers, physical stores, and customer service centers and payment processing costs. While AWS payment processing and related transaction costs are included in "Fulfillment," AWS costs are primarily classified as "Technology and infrastructure." Fulfillment costs as a percentage of net sales may vary due to several factors, such as payment processing and related transaction costs, our level of productivity and accuracy, changes in volume, size, and weight of units received and fulfilled, the extent to which third-party sellers utilize Fulfillment by Amazon services, timing of fulfillment network and physical store expansion, the extent the company utilizes fulfillment services provided by third parties, mix of products and services sold, and its ability to affect customer service contacts per unit by implementing improvements in its operations and enhancements to its customer self-service features.*

*[3] **Technology and infrastructure costs** include payroll and related expenses for employees involved in the research and development of new and existing products and services, development, design, and maintenance of its stores, curation and display of products and services made available in its online stores, and infrastructure costs. Infrastructure costs include servers, networking equipment, and data center related depreciation and amortization, rent, utilities, and other expenses necessary to support AWS and other Amazon businesses. Collectively, these costs reflect the investments we make in order to offer a wide variety of products and services to its customers, including expenditures related to initiatives to build and deploy innovative and efficient software and electronic devices and the development of a satellite network for global broadband service and autonomous vehicles for ride-hailing services.*

Operating Income and Margin by Reportable Segment

(In Millions)

						% of Total					% Change			
Operating Income	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**
North America	$ 14,877	$ (2,847)	$ 7,271	$ 8,651	$ 7,033	40%	-23%	29%	38%	48%	+622.6%	-139.2%	-16.0%	+23.0%
International	$ (2,656)	$ (7,746)	$ (924)	$ 717	$ (1,693)	-7%	-63%	-4%	3%	-12%	+65.7%	-738.3%	-228.9%	+142.4%
AWS	$ 24,631	$ 22,841	$ 18,532	$ 13,531	$ 9,201	67%	186%	74%	59%	63%	+7.8%	+23.3%	+37.0%	+47.1%
	$ 36,852	**$ 12,248**	**$ 24,879**	**$ 22,899**	**$ 14,541**	**100%**	**100%**	**100%**	**100%**	**100%**	**+200.9%**	**-50.8%**	**+8.6%**	**+57.5%**

Operating Margin	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**
North America	4.2%	-0.9%	2.6%	3.7%	4.1%	+5.1%	-3.5%	-1.1%	-0.5%
International	-2.0%	-6.6%	-0.7%	0.7%	-2.3%	+4.5%	-5.8%	-1.4%	+3.0%
AWS	27.1%	28.5%	29.8%	29.8%	26.3%	-1.4%	-1.3%	-0.0%	+3.6%
	6.4%	**2.4%**	**5.3%**	**5.9%**	**5.2%**	**+4.0%**	**-2.9%**	**-0.6%**	**+0.7%**

Historical Balance Sheet with % of Total

Consolidated Balance Sheets - USD ($) $ in Millions	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	% of Total Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Current assets:							Assets					
Cash and cash equivalents	73,387	53,888	36,220	42,122	36,092	31,750	13.9%	11.6%	8.6%	13.1%	16.0%	19.5%
Marketable securities	13,393	16,138	59,829	42,274	18,929	9,500	2.5%	3.5%	14.2%	13.2%	8.4%	5.8%
Inventories	33,318	34,405	32,640	23,795	20,497	17,174	6.3%	7.4%	7.8%	7.4%	9.1%	10.6%
Accounts receivable, net and other	52,253	42,360	32,891	24,542	20,816	16,677	9.9%	9.2%	7.8%	7.6%	9.2%	10.3%
Total current assets	**$ 172,351**	**$ 146,791**	**$ 161,580**	**$ 132,733**	**$ 96,334**	**$ 75,101**	**32.7%**	**31.7%**	**38.4%**	**41.3%**	**42.8%**	**46.2%**
Property and equipment, net	204,177	186,715	160,281	113,114	72,705	61,797	38.7%	40.4%	38.1%	35.2%	32.3%	38.0%
Operating leases	72,513	66,123	56,082	37,553	25,141	-	13.7%	14.3%	13.3%	11.7%	11.2%	0.0%
Goodwill	22,789	20,288	15,371	15,017	14,754	14,548	4.3%	4.4%	3.7%	4.7%	6.6%	8.9%
Other assets	56,024	42,758	27,235	22,778	16,314	11,202	10.6%	9.2%	6.5%	7.1%	7.2%	6.9%
Total non-current assets	**$ 355,503**	**$ 315,884**	**$ 258,969**	**$ 188,462**	**$ 128,914**	**$ 87,547**	**67.3%**	**68.3%**	**61.6%**	**58.7%**	**57.2%**	**53.8%**
Total assets	**$ 527,854**	**$ 462,675**	**$ 420,549**	**$ 321,195**	**$ 225,248**	**$ 162,648**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Current liabilities:							Liabilities & Equity					
Accounts payable	84,981	79,600	78,664	72,539	47,183	38,192	16.1%	17.2%	18.7%	22.6%	20.9%	23.5%
Accrued expenses and other	64,709	62,566	51,775	44,138	32,439	23,663	12.3%	13.5%	12.3%	13.7%	14.4%	14.5%
Unearned revenue	15,227	13,227	11,827	9,708	8,190	6,536	2.9%	2.9%	2.8%	3.0%	3.6%	4.0%
Total current liabilities	**$ 164,917**	**$ 155,393**	**$ 142,266**	**$ 126,385**	**$ 87,812**	**$ 68,391**	**31.2%**	**33.6%**	**33.8%**	**39.3%**	**39.0%**	**42.0%**
Long-term lease liabilities	77,297	72,968	67,651	52,573	39,791	9,650	14.6%	15.8%	16.1%	16.4%	17.7%	5.9%
Long-term debt	58,314	67,150	48,744	31,816	23,414	23,495	11.0%	14.5%	11.6%	9.9%	10.4%	14.4%
Other long-term liabilities	25,451	21,121	23,643	17,017	12,171	17,563	4.8%	4.6%	5.6%	5.3%	5.4%	10.8%
Total non-current liabilities	**$ 161,062**	**$ 161,239**	**$ 140,038**	**$ 101,406**	**$ 75,376**	**$ 50,708**	**30.5%**	**34.8%**	**33.3%**	**31.6%**	**33.5%**	**31.2%**
Total liabilities	**$ 325,979**	**$ 316,632**	**$ 282,304**	**$ 227,791**	**$ 163,188**	**$ 119,099**	**61.8%**	**68.4%**	**67.1%**	**70.9%**	**72.4%**	**73.2%**
Commitments and contingencies (Note 7)												
Stockholders' equity:												
Preferred stock ($0.01 par value)	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common stock ($0.01 par value)	109	108	106	100	100	100	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Treasury stock, at cost	(7,837)	(7,837)	(1,837)	(1,837)	(1,837)	(1,837)	-1.5%	-1.7%	-0.4%	-0.6%	-0.8%	-1.1%
Additional paid-in capital	99,025	75,066	55,437	42,770	33,563	26,696	18.8%	16.2%	13.2%	13.3%	14.9%	16.4%
Accumulated other comprehensive income (loss)	(3,040)	(4,487)	(1,376)	(180)	(986)	(1,035)	-0.6%	-1.0%	-0.3%	-0.1%	-0.4%	-0.6%
Retained earnings	113,618	83,193	85,915	52,551	31,220	19,625	21.5%	18.0%	20.4%	16.4%	13.9%	12.1%
Total stockholders' equity	**$ 201,875**	**$ 146,043**	**$ 138,245**	**$ 93,404**	**$ 62,060**	**$ 43,549**	**38.2%**	**31.6%**	**32.9%**	**29.1%**	**27.6%**	**26.8%**
Total liabilities and stockholders' equity	**$ 527,854**	**$ 462,675**	**$ 420,549**	**$ 321,195**	**$ 225,248**	**$ 162,648**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Working Capital	**$ 7,434**	**$ (8,602)**	**$ 19,314**	**$ 6,348**	**$ 8,522**	**$ 6,710**						

*** Amazon had a 20-for-1 split in 2022. The data for 2018-2020 has been manufally adjusted to ensure comparability (highlighted in yellow).

Historical Balance Sheet with % Change

Consolidated Balance Sheets - USD ($) $ in Millions	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	% Change Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Current assets:											
Cash and cash equivalents	73,387	53,888	36,220	42,122	36,092	31,750	+36.2%	+48.8%	-14.0%	+16.7%	+13.7%
Marketable securities	13,393	16,138	59,829	42,274	18,929	9,500	-17.0%	-73.0%	+41.5%	+123.3%	+99.3%
Inventories	33,318	34,405	32,640	23,795	20,497	17,174	-3.2%	+5.4%	+37.2%	+16.1%	+19.3%
Accounts receivable, net and other	52,253	42,360	32,891	24,542	20,816	16,677	+23.4%	+28.8%	+34.0%	+17.9%	+24.8%
Total current assets	**$ 172,351**	**$ 146,791**	**$ 161,580**	**$ 132,733**	**$ 96,334**	**$ 75,101**	**+17.4%**	**-9.2%**	**+21.7%**	**+37.8%**	**+28.3%**
Property and equipment, net	204,177	186,715	160,281	113,114	72,705	61,797	+9.4%	+16.5%	+41.7%	+55.6%	+17.7%
Operating leases	72,513	66,123	56,082	37,553	25,141	-	+9.7%	+17.9%	+49.3%	+49.4%	n/a
Goodwill	22,789	20,288	15,371	15,017	14,754	14,548	+12.3%	+32.0%	+2.4%	+1.8%	+1.4%
Other assets	56,024	42,758	27,235	22,778	16,314	11,202	+31.0%	+57.0%	+19.6%	+39.6%	+45.6%
Total non-current assets	**$ 355,503**	**$ 315,884**	**$ 258,969**	**$ 188,462**	**$ 128,914**	**$ 87,547**	**+12.5%**	**+22.0%**	**+37.4%**	**+46.2%**	**+47.3%**
Total assets	**$ 527,854**	**$ 462,675**	**$ 420,549**	**$ 321,195**	**$ 225,248**	**$ 162,648**	**+14.1%**	**+10.0%**	**+30.9%**	**+42.6%**	**+38.5%**
Current liabilities:											
Accounts payable	84,981	79,600	78,664	72,539	47,183	38,192	+6.8%	+1.2%	+8.4%	+53.7%	+23.5%
Accrued expenses and other	64,709	62,566	51,775	44,138	32,439	23,663	+3.4%	+20.8%	+17.3%	+36.1%	+37.1%
Unearned revenue	15,227	13,227	11,827	9,708	8,190	6,536	+15.1%	+11.8%	+21.8%	+18.5%	+25.3%
Total current liabilities	**$ 164,917**	**$ 155,393**	**$ 142,266**	**$ 126,385**	**$ 87,812**	**$ 68,391**	**+6.1%**	**+9.2%**	**+12.6%**	**+43.9%**	**+28.4%**
Long-term lease liabilities	77,297	72,968	67,651	52,573	39,791	9,650	+5.9%	+7.9%	+28.7%	+32.1%	+312.3%
Long-term debt	58,314	67,150	48,744	31,816	23,414	23,495	-13.2%	+37.8%	+53.2%	+35.9%	-0.3%
Other long-term liabilities	25,451	21,121	23,643	17,017	12,171	17,563	+20.5%	-10.7%	+38.9%	+39.8%	-30.7%
Total non-current liabilities	**$ 161,062**	**$ 161,239**	**$ 140,038**	**$ 101,406**	**$ 75,376**	**$ 50,708**	**-0.1%**	**+15.1%**	**+38.1%**	**+34.5%**	**+48.6%**
Total liabilities	**$ 325,979**	**$ 316,632**	**$ 282,304**	**$ 227,791**	**$ 163,188**	**$ 119,099**	**+3.0%**	**+12.2%**	**+23.9%**	**+39.6%**	**+37.0%**
Commitments and contingencies (Note 7)											
Stockholders' equity:											
Preferred stock ($0.01 par value)	-	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
Common stock ($0.01 par value)	109	108	106	100	100	100	+0.9%	+1.9%	+6.0%	+0.0%	+0.0%
Treasury stock, at cost	(7,837)	(7,837)	(1,837)	(1,837)	(1,837)	(1,837)	+0.0%	-326.6%	+0.0%	+0.0%	+0.0%
Additional paid-in capital	99,025	75,066	55,437	42,770	33,563	26,696	+31.9%	+35.4%	+29.6%	+27.4%	+25.7%
Accumulated other comprehensive income (loss)	(3,040)	(4,487)	(1,376)	(180)	(986)	(1,035)	+32.2%	-226.1%	-664.4%	+81.7%	+4.7%
Retained earnings	113,618	83,193	85,915	52,551	31,220	19,625	+36.6%	-3.2%	+63.5%	+68.3%	+59.1%
Total stockholders' equity	**$ 201,875**	**$ 146,043**	**$ 138,245**	**$ 93,404**	**$ 62,060**	**$ 43,549**	**+38.2%**	**+5.6%**	**+48.0%**	**+50.5%**	**+42.5%**
Total liabilities and stockholders' equity	**$ 527,854**	**$ 462,675**	**$ 420,549**	**$ 321,195**	**$ 225,248**	**$ 162,648**	**+14.1%**	**+10.0%**	**+30.9%**	**+42.6%**	**+38.5%**
Working Capital	**$ 7,434**	**$ (8,602)**	**$ 19,314**	**$ 6,348**	**$ 8,522**	**$ 6,710**	**+186.4%**	**-144.5%**	**+204.3%**	**-25.5%**	**+27.0%**

*** Amazon had a 20-for-1 split in 2022. The data for 2018-2020 has been manufally adjusted to ensure comparability (highlighted in yellow).

Historical P/L Statement

Consolidated Statements of Operations - USD ($) shares in Millions, $ in Millions	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	% Change Dec. 31, 2023	% Change Dec. 31, 2022	% Change Dec. 31, 2021	% Change Dec. 31, 2020	% Change Dec. 31, 2019
Product sales	$ 255,887	$ 242,901	$ 241,787	$ 215,915	$ 160,408	$ 141,915	+5.3%	+0.5%	+12.0%	+34.6%	+13.0%
Service sales	$ 318,898	$ 271,082	$ 228,035	$ 170,149	$ 120,114	$ 90,972	+17.6%	+18.9%	+34.0%	+41.7%	+32.0%
Total net sales	**$ 574,785**	**$ 513,983**	**$ 469,822**	**$ 386,064**	**$ 280,522**	**$ 232,887**	**+11.8%**	**+9.4%**	**+21.7%**	**+37.6%**	**+20.5%**
Cost of sales	304,739	288,831	272,344	233,307	165,536	139,156	+5.5%	+6.1%	+16.7%	+40.9%	+19.0%
Fulfillment	90,619	84,299	75,111	58,517	40,232	34,027	+7.5%	+12.2%	+28.4%	+45.4%	+18.2%
Technology and infrastructure	85,622	73,213	56,052	42,740	35,931	28,837	+16.9%	+30.6%	+31.1%	+19.0%	+24.6%
Sales and marketing	44,370	42,238	32,551	22,008	18,878	13,814	+5.0%	+29.8%	+47.9%	+16.6%	+36.7%
General and administrative	11,816	11,891	8,823	6,668	5,203	4,336	-0.6%	+34.8%	+32.3%	+28.2%	+20.0%
Other operating expense (income), net	767	1,263	62	(75)	201	296	-39.3%	+1937.1%	+182.7%	-137.3%	-32.1%
Total operating expenses	**$ 537,933**	**$ 501,735**	**$ 444,943**	**$ 363,165**	**$ 265,981**	**$ 220,466**	**+7.2%**	**+12.8%**	**+22.5%**	**+36.5%**	**+20.6%**
Operating income	**$ 36,852**	**$ 12,248**	**$ 24,879**	**$ 22,899**	**$ 14,541**	**$ 12,421**	**+200.9%**	**-50.8%**	**+8.6%**	**+57.5%**	**+17.1%**
Interest income	2,949	989	448	555	832	440	+198.2%	+120.8%	-19.3%	-33.3%	+89.1%
Interest expense	(3,182)	(2,367)	(1,809)	(1,647)	(1,600)	(1,417)	-34.4%	-30.8%	-9.8%	-2.9%	-12.9%
Other income (expense), net	938	(16,806)	14,633	2,371	203	(183)	+105.6%	-214.8%	+517.2%	+1068.0%	+210.9%
Total non-operating income (expense)	**$ 705**	**$ (18,184)**	**$ 13,272**	**$ 1,279**	**$ (565)**	**$ (1,160)**	**+103.9%**	**-237.0%**	**+937.7%**	**+326.4%**	**+51.3%**
Income (loss) before income taxes	**$ 37,557**	**$ (5,936)**	**$ 38,151**	**$ 24,178**	**$ 13,976**	**$ 11,261**	**+732.7%**	**-115.6%**	**+57.8%**	**+73.0%**	**+24.1%**
Benefit (provision) for income taxes	(7,120)	3,217	(4,791)	(2,863)	(2,374)	(1,197)	-321.3%	+167.1%	-67.3%	-20.6%	-98.3%
Equity-method investment activity, net of tax	(12)	(3)	4	16	(14)	9	-300.0%	-175.0%	-75.0%	+214.3%	-255.6%
Net income (loss)	**$ 30,425**	**$ (2,722)**	**$ 33,364**	**$ 21,331**	**$ 11,588**	**$ 10,073**	**+1217.7%**	**-108.2%**	**+56.4%**	**+84.1%**	**+15.0%**
Basic earnings per share (in dollars per share)	3	(0)	3	2	1	1					
Diluted earnings per share (in dollars per share)	3	(0)	3	2	1	1					
Weighted-average shares used in computation of earnings per share:											
Basic (in shares)	10,304	10,189	10,117	10,005	9,880	9,740					
Diluted (in shares)	10,492	10,189	10,296	10,198	10,080	10,000					
Net product sales											
Total net sales	255,887	242,901	241,787	215,915	160,408	141,915					
Net service sales											
Total net sales	318,898	271,082	228,035	170,149	120,114	90,972					

*** Amazon had 20 for 1 split in 2022. The data for 2018-2019 are manufally adjusted to ensure comparability.

Historical Equity Statement

(In Millions)

	Common Stock Shares	Common Stock Amount	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
Balance as of January 1, 2018	484	$ 5	$ (1,837)	$ 21,389	$ (484)	$ 8,636	$ 27,709
Cumulative effect of change in accounting principles related to revenue recognition, income taxes, and financial instruments	—	—	—	—	(4)	916	912
Net income	—	—	—	—	—	10,073	10,073
Other comprehensive income (loss)	—	—	—	—	(547)	—	(547)
Exercise of common stock options	7	—	—	—	—	—	—
Stock-based compensation and issuance of employee benefit plan stock	—	—	—	5,402	—	—	5,402
Balance as of December 31, 2018	491	5	(1,837)	26,791	(1,035)	19,625	43,549
Cumulative effect of change in accounting principle related to leases	—	—	—	—	—	7	7
Net income	—	—	—	—	—	11,588	11,588
Other comprehensive income (loss)	—	—	—	—	49	—	49
Exercise of common stock options	7	—	—	—	—	—	—
Stock-based compensation and issuance of employee benefit plan stock	—	—	—	6,867	—	—	6,867
Balance as of December 31, 2019	498	5	(1,837)	33,658	(986)	31,220	62,060
Net income	—	—	—	—	—	21,331	21,331
Other comprehensive income (loss)	—	—	—	—	806	—	806
Exercise of common stock options	5	—	—	—	—	—	—
Stock-based compensation and issuance of employee benefit plan stock	—	—	—	9,207	—	—	9,207
Balance as of December 31, 2020	503	$ 5	$ (1,837)	$ 42,865	$ (180)	$ 52,551	$ 93,404

	Common Stock Shares	Common Stock Amount	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
Balance as of January 1, 2021	10,066	$ 105	$ (1,837)	$ 42,765	$ (180)	$ 52,551	$ 93,404
Net income	—	—	—	—	—	33,364	33,364
Other comprehensive income (loss)	—	—	—	—	(1,196)	—	(1,196)
Stock-based compensation and issuance of employee benefit plan stock	109	1	—	12,672	—	—	12,673
Balance as of December 31, 2021	10,175	106	(1,837)	55,437	(1,376)	85,915	138,245
Net loss	—	—	—	—	—	(2,722)	(2,722)
Other comprehensive income (loss)	—	—	—	—	(3,111)	—	(3,111)
Stock-based compensation and issuance of employee benefit plan stock	113	2	—	19,629	—	—	19,631
Common stock repurchased	(46)	—	(6,000)	—	—	—	(6,000)
Balance as of December 31, 2022	10,242	108	(7,837)	75,066	(4,487)	83,193	146,043
Net income	—	—	—	—	—	30,425	30,425
Other comprehensive income (loss)	—	—	—	—	1,447	—	1,447
Stock-based compensation and issuance of employee benefit plan stock	141	1	—	23,959	—	—	23,960
Balance as of December 31, 2023	10,383	$ 109	$ (7,837)	$ 99,025	$ (3,040)	$ 113,618	$ 201,875

Historical Cash Flow Statement

Consolidated Statements of Cash Flows - USD ($) $ in Millions	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
OPERATING ACTIVITIES:						
Net income (loss)	**$ 30,425**	**$ (2,722)**	**$ 33,364**	**$ 21,331**	**$ 11,588**	**$ 10,073**
Adjustments to reconcile net income (loss) to net cash from operating activities:						
Depreciation and amortization of property and equipment and capitalized content costs, operating lease assets, and other	48,663	41,921	34,433	25,180	21,953	15,615
Stock-based compensation	24,023	19,621	12,757	9,208	6,864	5,418
Non-operating expense (income), net	(748)	16,966	(14,306)	(2,582)	(249)	219
Deferred income taxes	(5,876)	(8,148)	(310)	(554)	796	441
Changes in operating assets and liabilities:						
Inventories	1,449	(2,592)	(9,487)	(2,849)	(3,278)	(1,314)
Accounts receivable, net and other	(20,613)	(21,897)	(18,163)	(8,169)	(7,681)	(4,615)
Accounts payable	5,473	2,945	3,602	17,480	8,193	3,263
Accrued expenses and other	(2,428)	(1,558)	2,123	5,754	(1,383)	472
Unearned revenue	4,578	2,216	2,314	1,265	1,711	1,151
Net cash provided by (used in) operating activities	**$ 84,946**	**$ 46,752**	**$ 46,327**	**$ 66,064**	**$ 38,514**	**$ 30,723**
INVESTING ACTIVITIES:						
Purchases of property and equipment	(52,729)	(63,645)	(61,053)	(40,140)	(16,861)	(13,427)
Proceeds from property and equipment sales and incentives	4,596	5,324	5,657	5,096	4,172	2,104
Acquisitions, net of cash acquired, non-marketable investments, and other	(5,839)	(8,316)	(1,985)	(2,325)	(2,461)	(2,186)
Sales and maturities of marketable securities	5,627	31,601	59,384	50,237	22,681	8,240
Purchases of marketable securities	(1,488)	(2,565)	(60,157)	(72,479)	(31,812)	(7,100)
Net cash provided by (used in) investing activities	**$ (49,833)**	**$ (37,601)**	**$ (58,154)**	**$ (59,611)**	**$ (24,281)**	**$ (12,369)**
FINANCING ACTIVITIES:						
Common stock repurchased	-	(6,000)	-	-	-	-
Proceeds from short-term debt, and other	18,129	41,553	7,956	6,796	1,402	886
Repayments of short-term debt, and other	(25,677)	(37,554)	(7,753)	(6,177)	(1,518)	(813)
Proceeds from long-term debt	-	21,166	19,003	10,525	871	182
Repayments of long-term debt	(3,676)	(1,258)	(1,590)	(1,553)	(1,166)	(155)
Principal repayments of finance leases	(4,384)	(7,941)	(11,163)	(10,642)	(9,628)	(7,449)
Principal repayments of financing obligations	(271)	(248)	(162)	(53)	(27)	(337)
Net cash provided by (used in) financing activities	**$ (15,879)**	**$ 9,718**	**$ 6,291**	**$ (1,104)**	**$ (10,066)**	**$ (7,686)**
Foreign currency effect on cash, cash equivalents, and restricted cash	403	(1,093)	(364)	618	70	(351)
Net increase (decrease) in cash, cash equivalents, and restricted cash	**$ 19,637**	**$ 17,776**	**$ (5,900)**	**$ 5,967**	**$ 4,237**	**$ 10,317**
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD	**$ 54,253**	**$ 36,477**	**$ 42,377**	**$ 36,410**	**$ 32,173**	**$ 21,856**
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	**$ 73,890**	**$ 54,253**	**$ 36,477**	**$ 42,377**	**$ 36,410**	**$ 32,173**
Free Cash Flow	**$ 36,813**	**$ (11,569)**	**$ (9,069)**	**$ 31,020**	**$ 25,825**	**$ 19,400**

DuPont Analysis (2023)

DuPont Analysis is a financial performance framework that helps break down a company's ROE into 6 key components. This analysis provides insights into the drivers of a company's financial performance, helping stakeholders understand how each factor contributes to the overall return.

Amazon.com, Inc.

Return on Equity
0.1749

Net Profit Margin		Equity Turnover		
5.29%	*	3.30	=	**0.1749**

Net Profit Margin		Asset Turnover		Financial Leverage		
5.29%	*	1.16	*	2.85	=	**0.1749**

Tax Burden		Interest Burden		Operating Profit Margin		Asset Turnover		Financial Leverage		
0.81	*	0.99	*	6.57%	*	1.16	*	2.85	=	**0.1749**

Financial Ratios Formula

Activity Ratios

Receivables Turnover

Meaning: The efficiency of a company in collecting its receivables
Formula: Revenue / Average Receivables

DSO

Meaning: The average number of days a company takes to collect its receivables from clients
Formula: 365 / Receivables Turnover

Inventory Turnover

Meaning: The efficiency of a company in terms of inventory management
Formula: COGS / Average Inventory

DIO

Meaning: The average inventory processing period
Formula: 365 / Inventory Turnover

Payables Turnover

Meaning: The efficiency of a company in allowing its credit to suppliers
Formula: Purchases / Average Payables

DPO

Meaning: The average number of days a company takes to pay its suppliers
Formula: 365 / Payables Turnover

Cash Conversion Cycle

Meaning: The number of days a company takes to convert its investments in inventory and other resources into cash flows from sales

Formula: DSO + DIO - DPO

Fixed Assets Turnover

Meaning: The efficiency of a company in utilizing its fixed assets to generate revenue
Formula: Revenue / Average Fixed Assets

Working Capital Turnover

Meaning: The efficiency of a company in managing its working capital (current assets – current liabilities)
Formula: Revenue / Average Working Capital

Total Assets Turnover

Meaning: The efficiency of a company in utilizing its total assets to generate revenue
Formula: Revenue / Average Total Assets

Equity Turnover

Meaning: The efficiency of a company in utilizing equity to generate revenue
Formula: Revenue / Average Total Equity

Liquidity Ratios

Current Ratio

Meaning: The ability of a company to meet current liabilities (with total current assets)
Formula: Current Assets / Current Liabilities

Quick Ratio

Meaning: The ability of a company to meet current liabilities (with total current assets, excluding inventory and prepaid expenses)

Formula: (Total Current Assets – Inventory – Prepaid Expenses) / Current Liabilities

Cash Ratio

Meaning: The ability of a company to meet current liabilities (with cash only)
Formula: Cash / Current Liabilities

Defensive Interval

Meaning: The number of days a company can cover its average daily expenses with the use of current liquid assets only

Formula: (Total Current Assets – Inventory – Prepaid Expenses) / Average Daily Expenditure

Solvency Ratios

Debt-to-Equity

Meaning: Debt as a percentage of total equity
Formula: Total Debt / Total Equity

Debt-to-Capital

Meaning: Debt as a percentage of total capital
Formula: Total Debt / (Total Debt + Total Equity)

Debt-to-Assets

Meaning: Debt as a percentage of total assets
Formula: Total Debt / Total Assets

Financial Leverage

Meaning: An indicator of a company's debt financing usage
Formula: Average Total Assets / Average Total Equity

Interest Coverage

Meaning: The ability of a company to cover its interest expenses
Formula: EBIT (Operating Income) / Interest Payments

Profitability Ratios

Gross Profit Margin

Meaning: Gross profitability as a percentage of total revenue
Formula: (Revenue – COGS) / Revenue

Operating Profit Margin

Meaning: Operating profitability (before interest and tax) as a percentage of total revenue
Formula: Operating Income (EBIT) / Revenue

Pre-Tax Profit Margin

Meaning: Operating profitability (before tax) as a percentage of total revenue
Formula: EBT / Revenue

Net Profit Margin

Meaning: Net profitability as a percentage of total revenue
Formula: Net Income / Revenue

ROA (Return on Assets)

Meaning: Net profitability (excluding interest and tax) as a percentage of total invested funds
Formula: Net Income / Average Total Assets

Operating ROA

Meaning: Net profitability (including interest and tax) as a percentage of total invested funds
Formula: Operating Income (EBIT) / Average Total Assets

ROC (Return on Total Capital)

Meaning: Operating profitability as a percentage of total capital
Formula: Operating Income (EBIT) / Average Total Capital

ROE (Return on Equity)

Meaning: Net profitability as a percentage of total equity
Formula: Net Income / Average Equity

Valuation Ratios

EPS (Earnings Per Share)

Meaning: Income earned per 1 common share outstanding

Data is obtained from each company's financial statement.

PE Ratio

Meaning: The price that investors are willing to pay per $1 of earnings

Data is obtained from Macrotrends.