Amazon Ecosystem

Amazon.com, Inc.
410 Terry Ave.,
North Seattle, WA 98109
Phone: (206) 266-1000
www.aboutamazon.com

Outside Relationships

Regulators | Capital | Suppliers | Customers

Subjects of US and Foreign Regulation

- Environmental Protection Agency (Regulation of Discharges, Leaks, Emissions, Disposals, Storage of Particular Matter, Hazardous Waste, and Toxic Substances in the Water, Air and Soil; Superfund Cleanup Requirement for Contamination)
- U.S. and Foreign Patent Trademark Offices (Patent and Trademark Registrations)
- Occupational Health and Safety Administration (Regulation of Workplace Health and Safety)
- U.S. Internal Revenue Service (IRS) and State Tax Authorities (Regulation of Income Taxes, Indirect Taxes Such as Excise/Duty and Sales/Use Taxes, Payroll Taxes, Franchise Taxes, Withholding Taxes, and Ad Valorem Taxes)
- European Commission (General Data Protection Regulation)
- Foreign Corrupt Practices Act (FCPA) (Prohibition of U.S Citizens and Entities from Bribing Foreign Government Officials)
- Department of the Treasury (Regulation of Anti-Money Laundering)

Public Debt Holders — **Bond Financing**

Commercial Banks — **Working Capital Financing**

Business Regulation

FULFILLMENT BY AMAZON

Retail Customers — **Online Orders** / **Order Fulfillment**

Shipping/Delivery Companies
- Amazon Air (Cargo Airline)
- Amazon Flex (Smartphone App for Independent Contractors)
- Amazon Logistics (3rd Party Delivery with Branded Vans)
- Amazon Prime Air (Drone Delivery Service)
- US Postal Service (Last Mile Delivery)
- UPS (Last Mile Delivery)

Product Delivery

Inventory Delivery

Third-Party Merchants
- Small Businesses
- Retail Vendors

Physical, E-Commerce, and Omnichannel Retail Services

Warehousing & Inventory Management Services

Business Regulation

Amazon.com, Inc. (Delaware Corporation)

Debt Structure

Debt ($33.2B @ 12/31/20) | Credit Ratings: A2 (Moody's), AA- (S&P)

- Commercial Paper (Up to 397 days) ($725 Million)
- Unsecured Revolving Credit Facility ($7 Billion)
- Secured Revolving Credit Facility ($338 Million)
- 2.66% Notes Maturing 2022 ($1,250 Million)
- 3.43% - 5.11% Notes Maturing 2021 - 2044 ($5,000 Million)
- 2.56% - 4.33% Notes Maturing 2023 - 2057 ($16,000 Million)
- 0.56% - 2.77% Notes Maturing 2023 - 2060 ($10,000 Million)
- 2.9% Other Long-Term Debt ($586 Million)

Equity Structure

Equity

- **Share Repurchase Plan** Authorized: $5 Billion Balance: $1.837 Billion Expiration: None
- **Preferred Stock** Authorized: 500 Million Outstanding: 0
- **Common Stock** Authorized: 5,000,000,000 Outstanding: 503,000,000 Record Holders: 6,330

Governance

Board of Directors

Jeffrey Bezos	Indra Nooyi (A)	Keith B. Alexander (A)
Rosalind Brewer (L)	Johnathan Rubinstein (N)	**Committees**: Audit (A) Nominating & Corporate Governance (N) Leadership Development & Compensation (L)
Jamie Gorelick (N)	Thomas Ryder (A)	
Daniel Huttenlocher (L)	Patricia Stonesifer (N)	
Judith McGrath (L)	Wendell Weeks (A)	

Executive Officers

- President, CEO, Chairman of the Board: Jeffrey Bezos (thru 7/5/21)
- SVP, General Counsel, Secretary: David Zapolsky
- CEO, Amazon Web Services: Andrew Jassy
- SVP & CFO: Brian Olsavsky
- CEO, Worldwide Consumer: David H. Clark
- VP, Worldwide Controller, Principal Accounting Officer: Shelley Reynolds

Human Resources
- Talent
- Compensation/Benefits
- HR Information
- Immigration
- Diversity and Inclusion
- Culture & Engagement

E-Commerce Platform
- Security and Identity
- Data Technologies
- Consumer Experience
- Tax Payment Systems
- Selection & Catalog Systems

Sales and Marketing
- Advertising
- Retail Accounts
- Wholesaler, Distributor and Agent Relations

Procurement
- Third Party Manufacturing
- MRO Purchasing
- Freight
- Supplier Relations

Finance and Accounting
- Controllership and Accounting Function
- Tax
- Treasury
- Financial Analysis
- Investor Relations
- Internal Audit
- Risk Management
- Insurance
- Financial Operations

Legal
- Legal Affairs
- Regulatory Affairs
- Policy
- Corporate Governance
- Compliance
- Litigation Management
- Intellectual Property and Digital Rights Management
- Labor and Employment Law Matters Management

Corporate Matters

Information Technology
- IT Infrastructure
- IT Network Equipment
- Software Development
- IT and Optimization
- Software Licenses and Business Applications
- Data Processing Systems
- Inventory Management Systems

Research & Development
- New Technologies
- Existing Product Enhancements
- Third Party Business and Technology Acquisitions

Intellectual Property
- Utility/Design Patents
- Trademarks
- Copyrights
- Service Marks
- Trade Dress

Operations

Amazon Web Services (2020 Revenue: $45.4B)

Facilities
- East Coast Corporate Headquarters: Herndon, VA
- West Coast Corporate Headquarters: Seattle, WA

Service Categories
- Analytics
- Application Integration
- Altered Reality & Virtual Reality
- Blockchain
- Business Applications
- Compute
- Cost Management
- Containers
- Customer Engagement
- Database
- Developer Tools
- End User Computing
- Game Tech
- Internet of Things
- Machine Learning
- Management & Governance
- Media Services
- Migration & Transfer
- Mobile
- Networking & Content Delivery
- Quantum Technologies
- Robotics
- Satellite
- Security, Identity & Compliance
- Storage

Competitors
- Google Cloud
- Microsoft Azure
- DigitalOcean
- Alibaba Cloud
- VMWare
- LiquidWeb
- Kama tera
- Oracle

Amazon Worldwide Consumer (2020 Revenue: $340.7B)

North America Region (2020 Revenue: $236.3B)

Domestic Facilities
- East Coast Headquarters: Arlington, VA
- West Coast Headquarters: Seattle, WA
- 110 Fulfillment Centers
- 15 Sortation Centers

Retail Delivery
- 2.3 Billion Packages Delivered

Competitors: UPS, FedEx, USPS

Fulfillment Network and Data Centers
- Inventory Optimization
- Customer Service Centers
- Order Fulfillment

Competitors: UPS eFulfillment, Airhouse

International Region (2020 Revenue: $104.4B)

International Facilities
- International Headquarters: Luxembourg City, Luxembourg
- 75 Fulfillment Centers

Investments

Sectors of Investments
- Artificial Intelligence (Zoox)
- Business & Cloud Services
- Clothing & Accessories (Zappos)
- Financial Services
- Food, Beverage & Consumer Products
- Hardware
- Home Services
- Media Production & Entertainment (Twitch)
- Publishing
- Social Commerce & Networks
- Transportation & Logistics

MGM Holdings Inc.
- Film and Television Content Production (Scripted Series; Unscripted Shows)
- EPIX (Pay Cable TV Network)
- Theatrical Distribution (Licensing and Distribution of Films)
- Television Distribution (Licensing and Distribution of of Film and TV Content)
- Home Entertainment Distribution (DVD, Blu-ray, and Electronic Deliver and Streaming Services)
- Film and TV Content Library (4,000 Titles, including *James Bond* and *Rocky* Franchises)

Other Amazon Products and Services Categories

Electronic Devices
- Fire TV (Digital TV Device)
- Echo (Personal Digital Assistant)
- Fire Tablet (Tablet)
- Ring (Electronic Home Security Monitor)
- Kindle (e-Reader)

Competitors: Apple, Google, Roku, Sonos, Kobo, Nest

Whole Foods
- 487 US Grocery Store Locations
- 13 Canadian Grocery Store Locations
- 7 UK Grocery Store Locations
- 91,000 Employees

Competitors: Kroger, Tesco, Walmart, Loblaw

Amazon Prime
- 126 Million Subscribers
- Prime Pantry (Grocery Delivery)
- Prime Music (Music Streaming)
- Prime Now (Same-day Delivery)
- Prime Video (Film/TV Streaming)
- Amazon Key (In-Home/Car/Garage Delivery)
- Prime Air (Drone Delivery)
- Prime Reading (e-Book Access)

Amazon Drive
- Photo Storage
- File Backup
- File Sharing
- Cloud Storage
- Amazon Prints (Photo Printing)

Competitors: Google Drive, Microsoft OneDrive

Amazon Publishing
- 16 Imprints
- CreateSpace Print-on-Demand Publishing
- Kindle Direct Publishing (e-Book Publishing)
- Kindle Scout

Competitors: iBooks (e-Books), Barnes & Noble Press (e-Book/Print-on-Demand), IngramSpark (Print, Primarily International)

Amazon Business
- Business-Only Wholesale Marketplace

Sectors
- Healthcare (>50% of 100 Largest Hospitals)
- Government (40% of 100 Most Populous Municipalities)
- Commercial (55 of Fortune 100 Companies)

Competitors: Grainger/Gamut.com, XOM Materials (Primarily International)

Amazon Marketplace
- 5,000,000+ Marketplace Sellers
- Amazon Brand Registry
- Fulfilled-by-Amazon (FBA) Service

Competitors: Walmart/Jet.com, Newegg (Primarily Electronics), eBay

Amazon Music
- Amazon Music Player (Limited Streaming and Catalog)
- Amazon Music Unlimited (Unlimited Streaming, Full-Catalog)
- Prime Music (Unlimited Streaming, Limited Catalog)

Competitors: Pandora, Spotify, Apple Music

Amazon Games Studio
- 3 Game Development Studios (Seattle, San Diego, Orange County)
- Lumberyard Game Engine

Games-in-progress: New World

Competitors: Unity, Epic Games, Unreal

Amazon Studios
- Film and Television Series Development
- Domestic Distribution

Access Through: Prime Video

Competitors: Netflix, Hulu, Disney+, Apple TV

Business Regulation

Home Security, Personal Digital Assistant, Digital Books, and Mobile Device Sales → End Consumers

Grocery Sales → End Consumers

Meat, Produce, Fruit, Dairy and other Grocery Store Products Suppliers

Selected Whole Foods Suppliers
- Wild Planet Foods (Seafood)
- Driscoll's (Berries)
- Cocokind (Skincare)
- Vive Organic (Wellness Shots)
- Forever Cheese (Cheese)
- Awe Sum Organics (Organic Produce)
- OSI Industries LLC (Meat Products)
- Nature's Path (Organic Wheat Products)
- Thompson Farms (Pork Products)

Amazon Prime Memberships → Amazon Prime Subscribers

Sales of Cloud-Based Storage, Printing and Other Services for Photos → Retail Cloud Storage End Consumers

Sales of Book Publishing Services → Writers

Wholesale Sale of Commercial Supplies → Wholesale Customers: Large Businesses, Health Care Providers, Federal, State, and Local Government Agencies

Retail Sale (and Fulfillment of Orders of Third Party) Consumer Goods → End Consumers

Sales of Music Streaming Services → Music End Consumers (55 Million Listeners)

Sales of Gaming Services → Gaming End Consumers

International Distribution Agreements → International Film Distributors

Film/Series Licenses → TV Viewers

Video Content → **International Sales Agent**: FilmNation Entertainment

Supplies of Creative, Artistic, Production, Theatrical Services and Intellectual Property → **Television and Film Crews**: Producers and Directors, Actors, Writers and Editors, Set Crews and Outside Consultants

Securities Regulation and NASDAQ Rules ← **Securities Regulators**: U.S. Securities and Exchange Commission (Securities Law Disclosure and Financial Reporting Requirements); The NASDAQ Stock Market (Stock Exchange Listing and Maintenance Rules)

Equity Capital ← **Significant Shareholders**
- Jeffrey Bezos (10.58%)
- The Vanguard Group (6.10%)
- BlackRock Fund Advisors (3.60%)
- BlackRock Fund Advisors (3.15%)
- T. Rowe Price Associates (3.14%)
- Fidelity Management & Research Co (2.88%)
- Institutional Ownership: 58.93%

Audit, Legal and Lobbying Services ← **Professional Service Firms**
- Ernst & Young (Audit Services)
- King & Spalding (Lobbying Services for Amazon Web Services)
- McGuireWoods (Lobbying Services for Amazon.com)
- Latham & Watkins (Patent Litigation Services)

Sales of Cloud-Based Services, Including Computing, Storage, and Artificial Intelligence Offerings → **Developers & Enterprises**
- Zoom
- Government Agencies
- Academic Institutions
- Zynga
- Dropbox
- Netflix
- Reddit
- Pinterest
- Salesforce

Amazon-Focused Ad Agencies
- Voy Media
- Search Engine People
- ROI Revolution
- Vertical Rail
- Add 3

Digital Advertising Services for Advertising on Amazon

MGM Holdings Inc.

SALE EXPECTED TO CLOSE IN 2022

Online Orders / **Physical, e-Commerce, Shipping, and Omni-Channel Retail Services** / **Referral Fees** → **Retail Customers** / **Order Fulfillment** → **FULFILLMENT BY MERCHANT**

Third-Party Merchants
- Small Businesses
- Retail Vendors

Key Company Data

Share Data
- Stock Exchange: NASDAQ
- Ticker Symbol: AMZN
- Share Price: $3,230.11 (as of 05/27/21)
- Earnings Per Share: $52.56 (trailing 12 months)
- Forward Annual Dividend: $0
- Market Capitalization: $1.629T

Resources
- Employees: 1,298,000

Recent Developments

Revenue Growth: In April 2021, Amazon announced 44% growth in first quarter 2021 revenues over the prior year ($109 billion).

MGM Acquisition: On May 26, 2021, Amazon agreed to acquire the famed MGM Hollywood film and TV studio for $8.45 billion (including debt) to broaden its portfolio of video content and more effectively compete against streaming giants Netflix and Disney.

Financial Highlights

Results of Operations (12/31/21)
- Revenues: $386.06B
- Cost of Sales: $233.31B
- Operating Income: $22.90B
- Net Income: $21.33B

Financial Condition
- Total Assets: $321.20B
- Total Current Liabilities: $126.38
- Long Term Debt: $31.82B
- Stockholders' Equity: $93.40

Cash Flow
- Cash Flow from Operations: $66.06B
- Cash Flow Used in Investing: ($59.61B)
- Cash Flow Used in Financing: ($1.10B)

Key Financial Metrics
- Return on Equity: 27.44%

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