



ENTERPRISE ANALYSIS AND DESK RESEARCH

GUIDED BY MS. POOJA GAWANDE

*E-COMMERCE
SECTOR AMAZON*

PRESENTED BY SHREYA GULLEKAR
DIV: 2

FOUNDER & PROMOTER OF AMAZON

- Amazon was founded by ***JEFF BEZOS*** from his garage in ***Bellevue, Washington, on July 5, 1994.***
- Initially an online marketplace for books, it has expanded into a multitude of product categories, a strategy that has earned it the moniker ***The Everything Store.***
- It has multiple subsidiaries including ***Amazon Web Services*** (cloud computing), ***Zoox*** (autonomous vehicles), ***Kuiper Systems*** (satellite Internet), and ***Amazon Lab126*** (computer hardware R&D).
- Its other subsidiaries include ***Ring, Twitch, IMDB & Whole Foods Market***, its current acquisition is ***US\$13.4 billion*** substantially increased its footprint as a physical retailer.



MISSION & VISION OF AMAZON

Amazon's Mission Statement is "*to serve consumers through online and physical stores and focus on selection, price, and convenience.*"

Amazon's Vision Statement is "*to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers lowest price possible.*"



QUALITY POLICY OF AMAZON

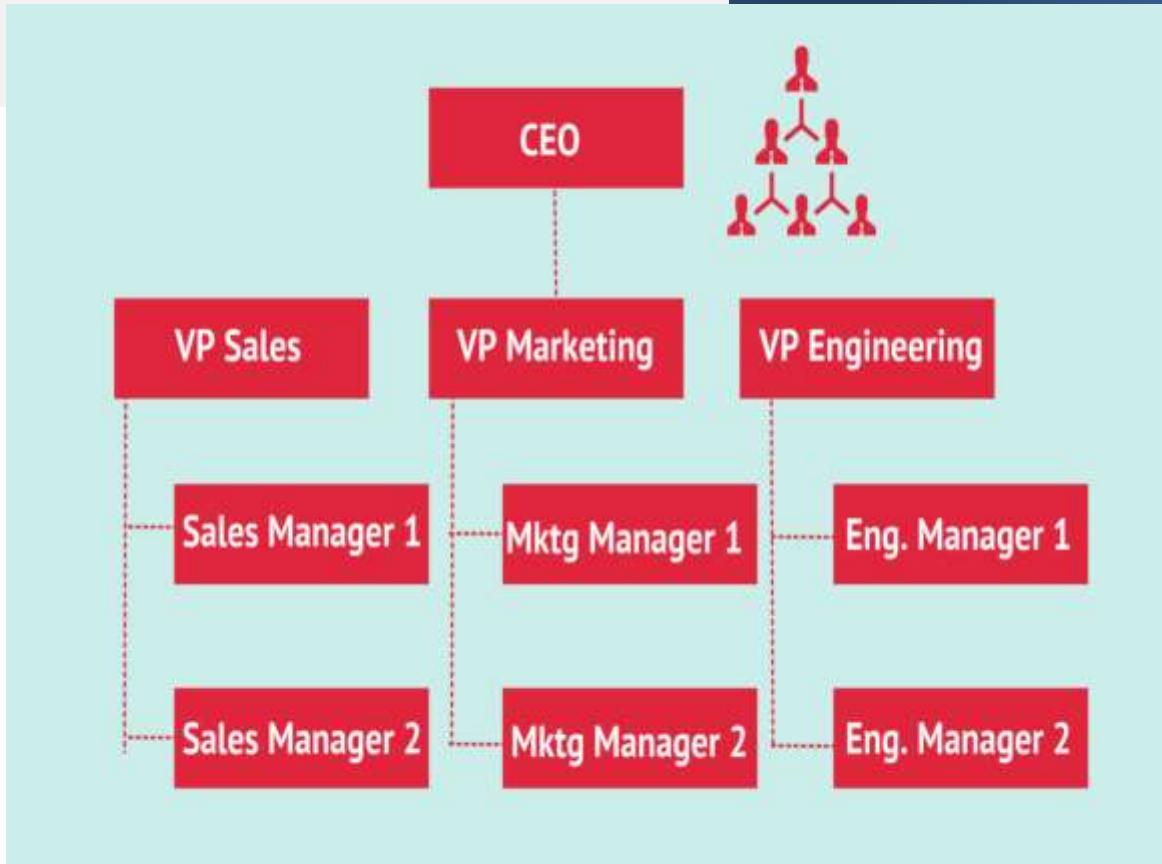
The Amazon Transparency Program ensures that your customers get genuine products, via a Transparency Code system. Here's how it works?

- **Identifying fake products:** the fake products will not have the unique codes provided by the brands, meaning those products are probably from fake sellers.
- **More detailed information to the buyers:** Amazon Transparency gives brands the opportunity to offer additional lucrative details, through the transparency code, you can now provide as much information as possible on the product.
- **Bringing payment transparency:** The buyers can see detailed product pricing by scanning the product transparency code, this will also help in eliminating any miscellaneous charges that might show up while checking out.
- **Control over brand:** The more loyal buyers you have, the more recommendations your products get, the more people believe in your products and hence, the chances of making more sales.



ORGANIZATIONAL STRUCTURE OF AMAZON

- The Amazon organizational structure favors a ***Vertical Hierarchical Approach*** with global, function-based groups and geographic divisions.
- This gives the company ***extensive top-down control*** over global operations, allowing it to increase market share and maintain market leadership status.
- At the top of this chain is a senior management team reporting directly to ***CEO Jeff Bezos***. Dubbed the S Team, this small team of Amazon senior executives works with Bezos to disseminate his ideas, solve problems, set high-level goals, and shape company culture.



BUSINESS MODEL OF AMAZON

Amazon leverages two types of business models for their e-commerce, they are as follows:

- The Linear business models for those parts that are directly sourced (online stores & physical stores in their terminology).
- The Platform business model for Amazon Marketplace (retail third party seller services)



FINANCIAL STRUCTURE OF AMAZON

- Amazon.com, Inc. reported earnings results for the fourth quarter and full year ended December 31, 2022.
- For the fourth quarter, the company reported revenue was ***USD 149,204 million compared to USD 137,412 million*** a year ago. Net income was ***USD 278 million compared to USD 14,323 million*** a year ago.
- Basic earnings per share from continuing operations was ***USD 0.03*** compared to ***USD 1.41*** a year ago.
- For the full year, revenue was ***USD 513,983 million*** compared to ***USD 469,822 million*** a year ago. Net loss was ***USD 2,722 million*** compared to net income of USD 33,364 million a year ago.
- Basic loss per share from continuing operations was ***USD 0.27*** compared to basic earnings per share from continuing operations of ***USD 3.3*** a year ago.



ESTIMATED FINANCIAL STATEMENTS OF AMAZON

AMZN Cash Flow Statement

Cash Flow/Share TTM	4.58
Revenue/Share TTM	50.38
Operating Cash Flow	30.09%

█ Cash █ Net Change in Cash



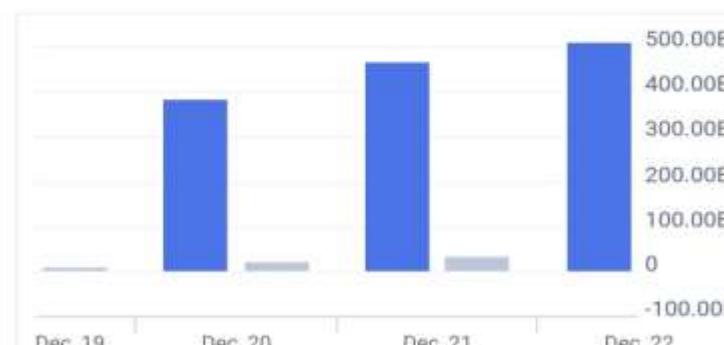
Dec 31, 2022

Cash From Operating Activities	46,752
Cash From Investing Activities	-37,601
Cash From Financing Activities	9,718
Net Change in Cash	17,776

AMZN Income Statement

Gross margin TTM	43.81%
Operating margin TTM	2.38%
Net Profit margin TTM	-0.53%
Return on Investment TTM	3.59%

█ Total Revenue █ Net Income



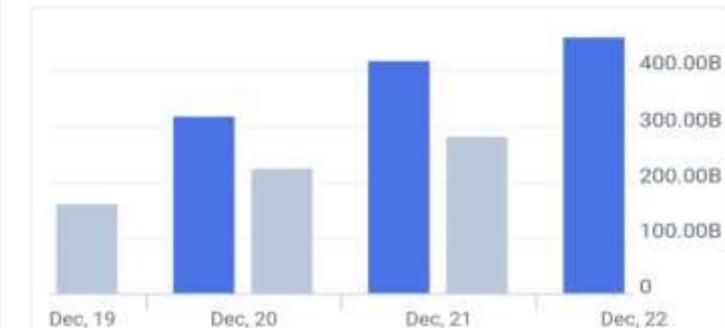
Dec 31, 2022

Total Revenue	513,983
Gross Profit	225,152

AMZN Balance Sheet

Quick Ratio MRQ	0.67
Current Ratio MRQ	0.94
LT Debt to Equity MRQ	50.57%
Total Debt to Equity MRQ	116.36%

█ Total Assets █ Total Liabilities

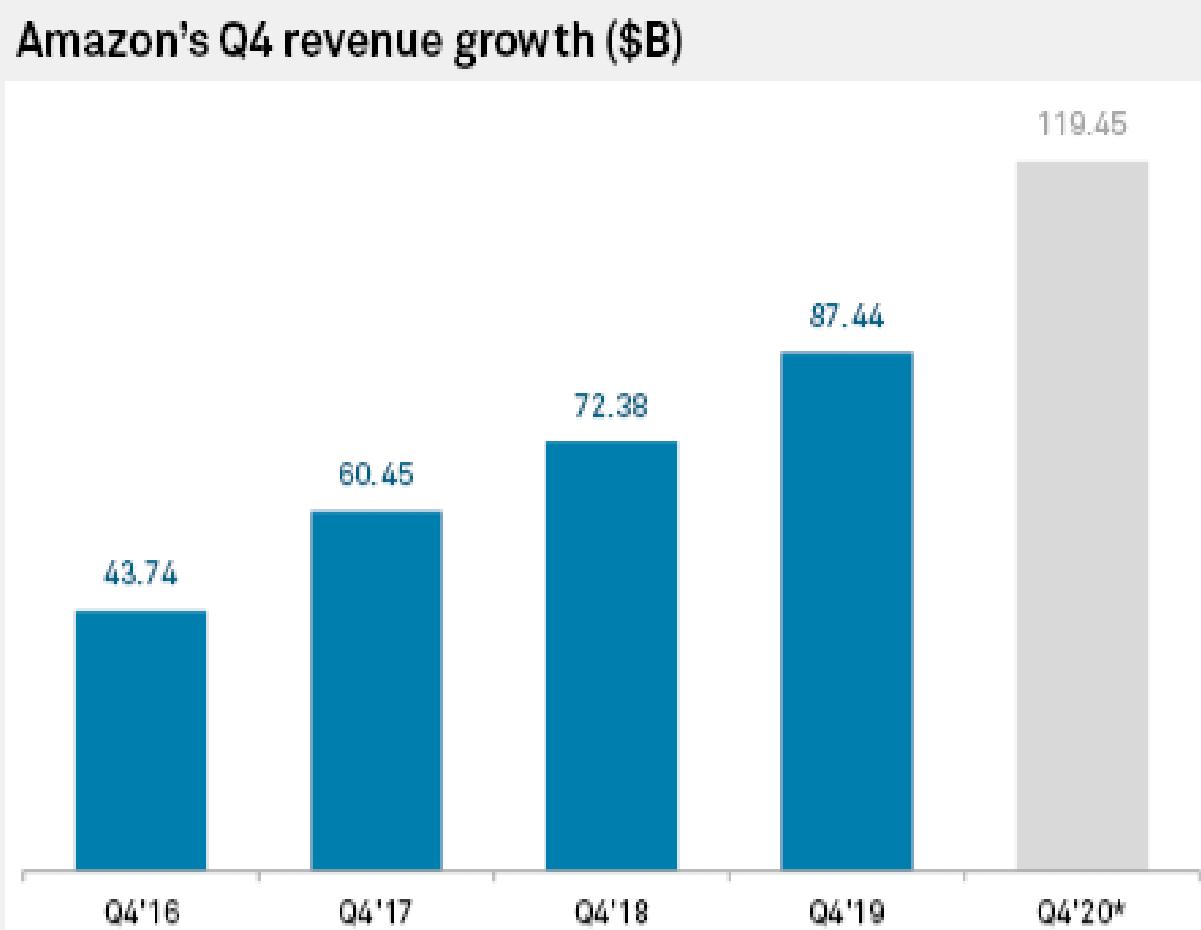


Dec 31, 2022

Total Assets	462,675
Total Liabilities	316,632
Total Equity	146,043

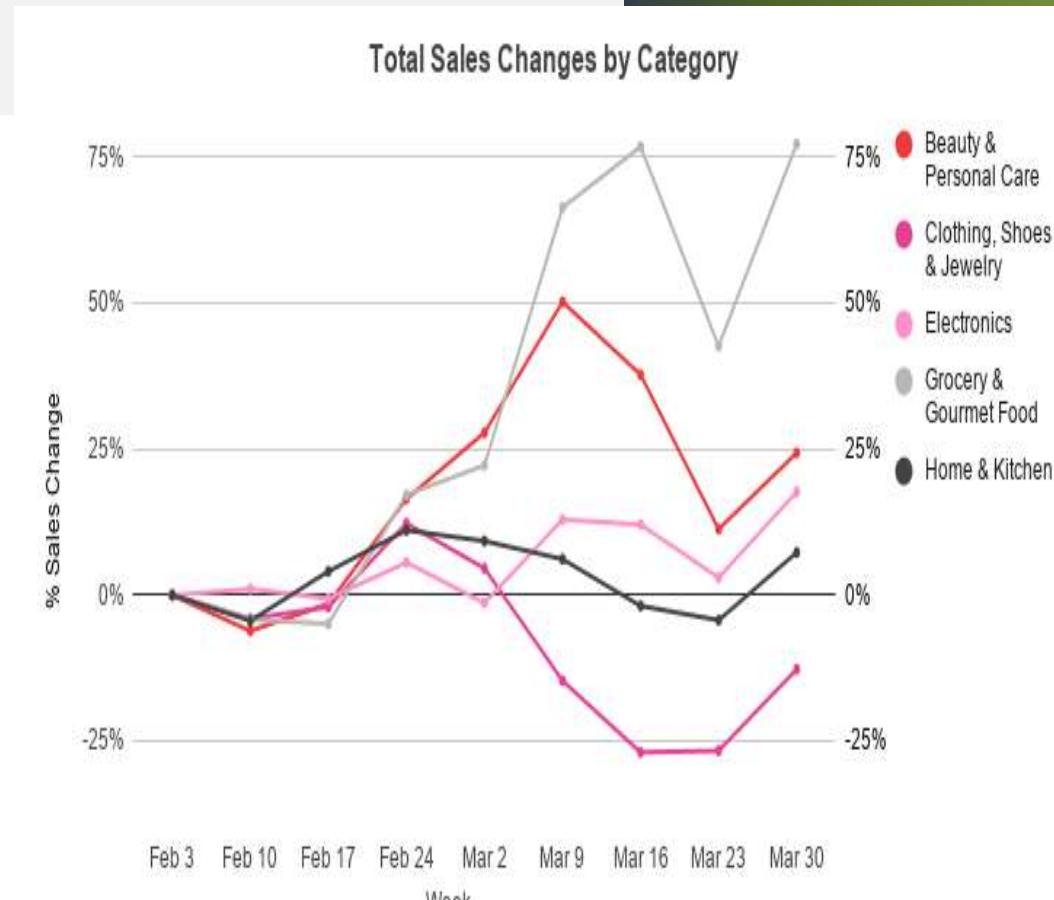
SALES OF AMAZON DURING COVID-19

- Amazon remains one of the few companies to benefit from the coronavirus pandemic, with surging online sales helping it to report record profits in July.
- It didn't get there without navigating a slew of challenges, including a labor crisis that drew public scrutiny from lawmakers, regulators and workers rights groups.
- Amazon's supply chain was hit hard, resulting in delivery delays and out-of-stock notices, the flood of online orders propelled Amazon to record sales during the second quarter.
- Amazon's pandemic-fueled growth isn't expected to slow down soon, especially as it prepares for the back-to-back shopping rush of Prime Day in October and the holidays after that.



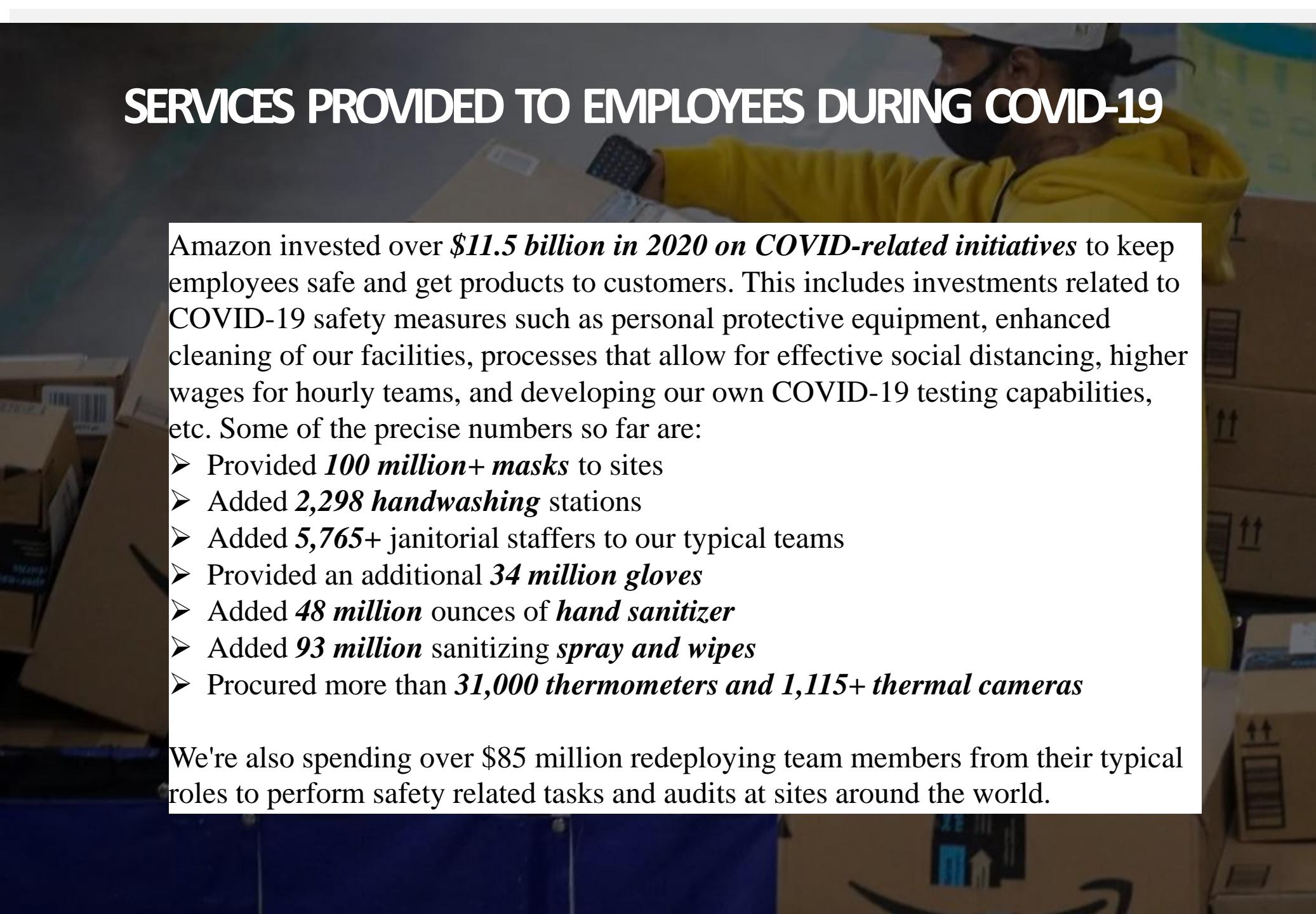
SALES OF AMAZON AFTER COVID-19

- Amazon founder Jeff Bezos has seen his net worth soar. According to numbers from USA Today, Bezos' net worth in March 2020 was **US\$113 billion**.
- As of November, the 56-year-old CEO is valued at over **US\$203 billion**. Bezos is nearly **80% richer (79.8%)** than he was before the pandemic, as his personal wealth increased by **US\$90.1 billion** since March 2020.
- The multinational tech company reported a **70%** increase in earnings in the first nine months of 2020, up **US\$5.8 billion** from a year earlier.
- As of 2020's second quarter, Amazon's year-over-year sales **increased 40%**. The company reported quarterly revenues of US\$96.15 billion in Q3 – better than expectations – and its net income increased to **US\$6.3 billion**, up from **US\$2.3 billion** the year before.



Compared to the week of February 3, 2020.

SERVICES PROVIDED TO EMPLOYEES DURING COVID-19



Amazon invested over **\$11.5 billion in 2020 on COVID-related initiatives** to keep employees safe and get products to customers. This includes investments related to COVID-19 safety measures such as personal protective equipment, enhanced cleaning of our facilities, processes that allow for effective social distancing, higher wages for hourly teams, and developing our own COVID-19 testing capabilities, etc. Some of the precise numbers so far are:

- Provided **100 million+ masks** to sites
- Added **2,298 handwashing** stations
- Added **5,765+** janitorial staffers to our typical teams
- Provided an additional **34 million gloves**
- Added **48 million** ounces of **hand sanitizer**
- Added **93 million** sanitizing **spray and wipes**
- Procured more than **31,000 thermometers and 1,115+ thermal cameras**

We're also spending over \$85 million redeploying team members from their typical roles to perform safety related tasks and audits at sites around the world.

SERVICES PROVIDED BY AMAZON



Amazon has fully funded the supply of **100 Medtronic ventilators**



AWS is funding **4 oxygen plants** in government hospitals



Customers and Amazon employees have donated close to **Rs 4 Cr** for COVID relief work



Amazon committed to vaccinating **1MM** employees, sellers, partners and dependents



1000+ Amazon employees have provided covid-related support to employees & families across 30 cities



Over 150 government hospitals and centres received **life-saving medical equipment**

GOVERNMENT SUBSIDIES TO AMAZON

- Over the past decade, Amazon received at least \$4.7 billion in state and federal government subsidies around the world to support its build out of data centers, warehouses, offices, call centers, and film production projects.
- Of the known subsidies \$4.1 billion was for projects in the US, where disclosure is better than some places - but still not perfect, with the subsidies for at least nine projects unknown and many states not disclosing utility-tax exemptions for Amazon Web Services data centers.
- 407 facilities in 13 countries where evidence exists that Amazon was subsidized with public monies, but the amount is not known - and therefore not included in the \$4.7bn tally.
- Amazon often uses the subsidy-funded facilities to pursue government contracts, securing huge deals to provide lucrative cloud services from data centers part-funded by those governments.

amazon amaz
THANKYOU