

### THE EVERYTHING COMPANY

Can you think of anything amazon doesn't sell? If so, just wait until it does. 'The Everything Company' was a possible name for amazon - showing the scope of Founder Jeff Bezos' ambition. Unlike other tech firms, amazon didn't create a new offering, but sold existing things online. It can by nature expand into new fields and does so constantly, reinvesting all of its earnings to fuel its meteoric growth. Unlike other firms, amazon is not so dependent on profits. It mainly sources its capital from the stock market, its stock price having grown 9300% since going public. Even if all of Bezos' dreams come true, there's one thing you'll never find on amazon: Openness. The company is highly secretive about its financial figures.

Corporate Structure Amazon

606 Min Cart

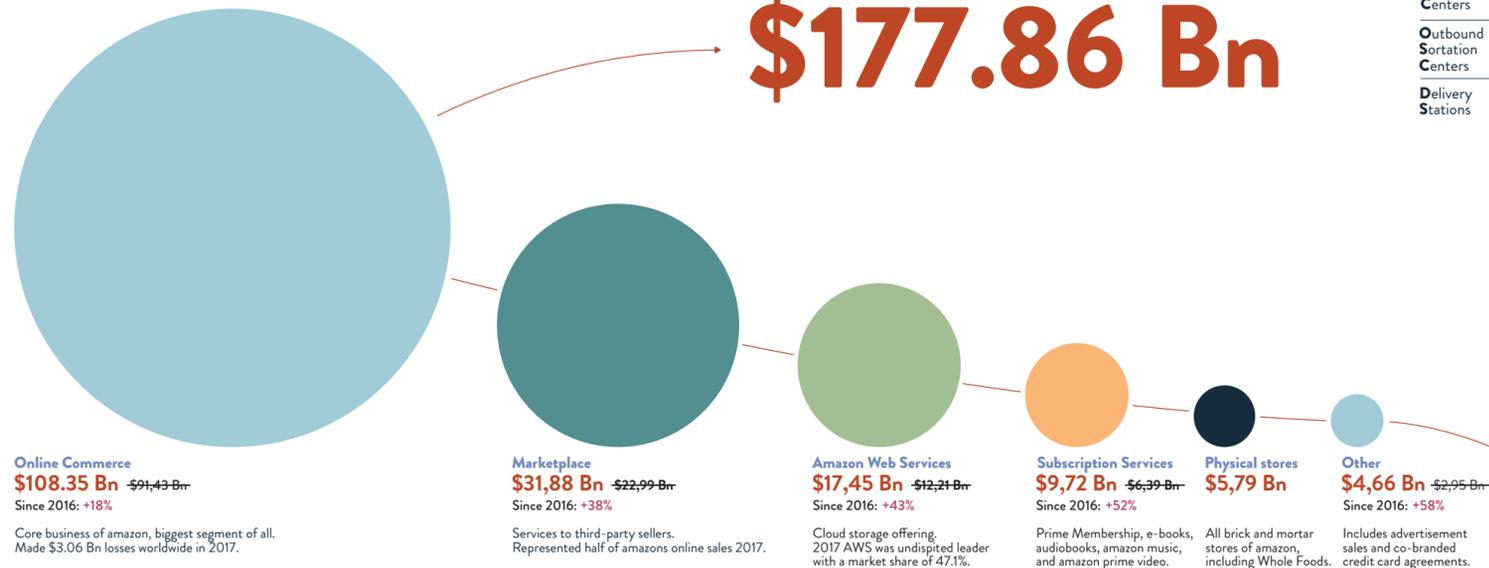
Topics Net Sales Segments Profits Stock Employees Acquisitions Taxes Philosophy

### Analyzing the Biggest Online-Retailer

Total and segment sales, Profits, 2017

NET SALES 2017

**\$177.86 Bn**



#### The Economist

★★★★★  
The strategy behind amazon's breakneck growth is the 'flywheel' philosophy, as CEO Jeff Bezos calls it. In a new market, they offer highly competitive prices until they have the size to influence prices, benefitting on top of scale economies. Amazon announcing they plan to enter a new market sends the stock of established players down. 5 stars for sure.

#### The Critic

★☆☆☆☆  
Aggressive tax avoidance, monopolistic tendencies, questionable ethics on certain business practices, patent infringement, intellectual property violations, read their annual report, questionable authenticity of the customer reviews. Not this one, of course. All this makes one star far too generous.

#### EARNINGS



#### LOSSES



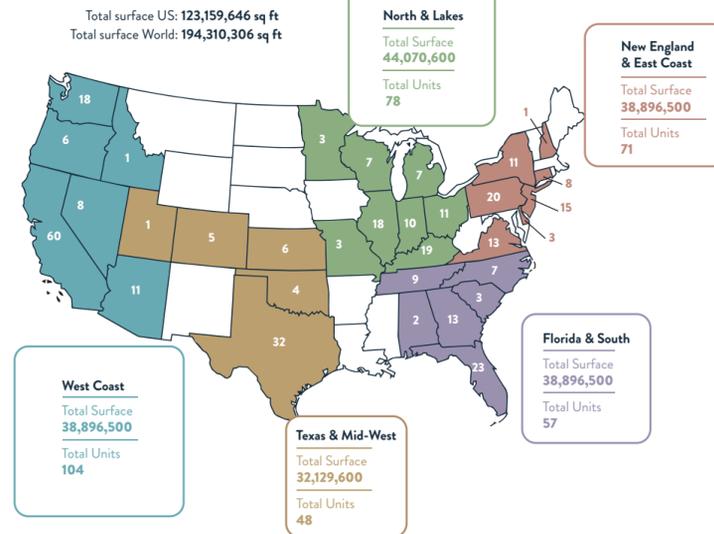
#### NET PROFIT 2017

**\$3,033 Bn**

### Amazons Logistics: 77 times the surface of New York

Overview of the delivery infrastructure in the US

- All US Facilities: 155
- Fulfillment Centers: 31
- Food Distribution Centers: 51
- Prime Now Hubs: 9
- Inbound Sortation Centers: 39
- Outbound Sortation Centers: 73
- Delivery Stations: 73



\$2061.46 20??

**\$1,000,000,000,000**  
AMAZON'S STOCK MARKET VALUE 2017

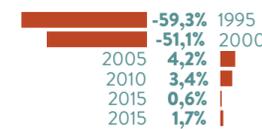
Founded in 1994 in a garage in Seattle, amazon is on track to reach 1 trillion dollars in market capitalisation at the turn of 2019. In less than 25 years it would have become the most valuable company in the world.

Stock was issued at \$18 in 1997. It cost 1699 \$ end of June 2018, a rise of 9300 % in 21 years. Sluggish for years, growth became exponential from 2015 onwards. When the stock hits \$2061.45, amazon will be the first trillion dollar company in history.

Amazon discards profitability to invest earnings in its expansion. 2017 profit margin was a modest 1.7%. Morgan Stanley sees amazon focusing on profits around 2022-2023. It would then reap net profits of several tens of billions per year.

### WHO NEEDS PROFITS

NET PROFIT MARGINS OF AMAZON



### IF YOU PAY LITTLE TAXES

**0,005 %**

is the part of its revenue amazon sets aside to pay taxes. Maximizing tax avoidance plays a key role in keeping profit margins low.

**21%**

is the corporate tax rate in the US since 2018.

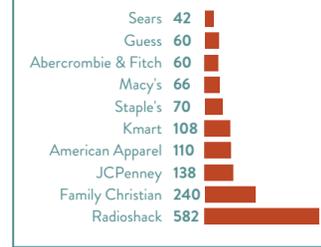
### THE AMAZON EFFECT

DEATH OF RETAIL

#### AMAZON MARKET SHARE IN RETAIL US 2016



#### US RETAILER CLOSURES 2017



Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Sales in Mn US\$	1	16	146	610	1640	2762	3122	3922	5264	6921	8490	10711	14835	19166	24509	34204	48077	61093	74452	88988	107006	135990	177870	
Employees	1	256	614	2100	7600	9000	7800	7500	7800	9000	12000	13900	17000	20700	24300	33700	56200	88400	117300	154100	230800	341400	566000	
Acquisitions					Alexa Internet						Mobipocket.com		Brilliance Audio	Audible.com	Zappos	Quidsi	LoveFilm	Kiva Systems	Goodreads	Twitch	Annapurna Labs	Souq.com	Ring	
Price in Mn US\$					250						N/A		N/A	300	1200	545	200	775	150	970	370	580	1000	
Total: 81					Exchange										Stanza								Whole Foods	
					Antique Books										Kindle Rival								Food Retail	
					645										N/A								13700	