

AMAZON COM INC  
Form 10-Q  
October 27, 2017  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended September 30, 2017

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

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AMAZON.COM, INC.

(Exact name of registrant as specified in its charter)

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Delaware 91-1646860  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) 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)

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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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See 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 ☒ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Emerging growth company ☐

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

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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 ☒

481,872,175 shares of common stock, par value \$0.01 per share, outstanding as of October 18, 2017

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For the Quarterly Period Ended September 30, 2017

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

AMAZON.COM, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

(unaudited)

	Three Months Ended September 30, 2016 2017		Nine Months Ended September 30, 2016 2017		Twelve Months Ended September 30, 2016 2017	
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	\$ 12,521	\$ 13,203	\$ 15,890	\$ 19,334	\$ 10,709	\$ 13,656
OPERATING ACTIVITIES:						
Net income	252	256	1,622	1,176	2,105	1,926
Adjustments to reconcile net income to net cash from operating activities:						
Depreciation of property and equipment, including internal-use software and website development, and other amortization, including capitalized content costs	2,084	2,912	5,819	7,980	7,572	10,277
Stock-based compensation	776	1,085	2,088	3,036	2,694	3,923
Other operating expense, net	31	43	128	146	163	177
Other expense (income), net	(23)	(128)	(41)	(288)	39	(267)
Deferred income taxes	(81)	(74)	36	279	226	(2)
Changes in operating assets and liabilities:						
Inventories	(1,095)	(1,593)	(383)	(1,328)	(1,726)	(2,371)
Accounts receivable, net and other	(671)	(1,758)	(1,443)	(2,005)	(2,621)	(3,929)
Accounts payable	2,540	3,046	(2,252)	(1,731)	3,887	5,551
Accrued expenses and other	441	(122)	(531)	(1,778)	1,306	476
Additions to unearned revenue	2,802	3,762	7,956	10,862	10,377	14,837
Amortization of previously unearned revenue	(2,397)	(3,578)	(6,715)	(10,259)	(9,018)	(13,521)
Net cash provided by (used in) operating activities	4,659	3,851	6,284	6,090	15,004	17,077
INVESTING ACTIVITIES:						
Purchases of property and equipment, including internal-use software and website development, net	(1,841)	(2,659)	(4,731)	(7,022)	(6,040)	(9,027)
Acquisitions, net of cash acquired, and other	(84)	(13,213)	(113)	(13,891)	(430)	(13,893)
Sales and maturities of marketable securities	1,431	2,221	3,500	6,424	4,635	7,656
Purchases of marketable securities	(2,076)	(5,469)				