



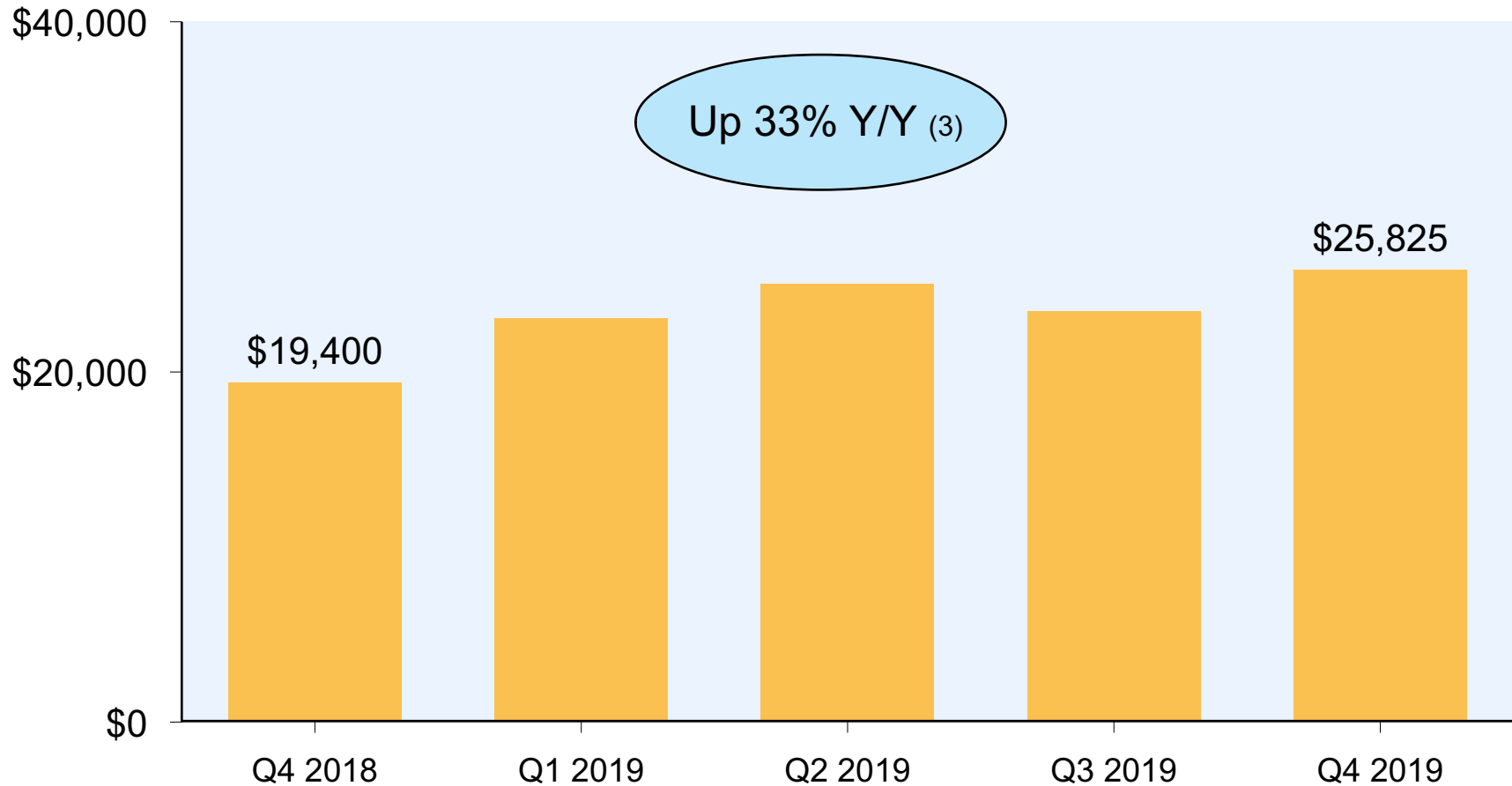
**Q4 2019 Financial Results
Conference Call Slides**

This presentation may contain forward-looking statements which are inherently difficult to predict. Actual results could differ materially for a variety of reasons, including fluctuations in foreign exchange rates, changes in global economic conditions and customer spending, world events, the rate of growth of the Internet, online commerce, and cloud services, the amount that Amazon.com invests in new business opportunities and the timing of those investments, the mix of products and services sold to customers, the mix of net sales derived from products as compared with services, the extent to which we owe income or other taxes, competition, management of growth, potential fluctuations in operating results, international growth and expansion, the outcomes of claims, litigation, government investigations, and other proceedings, fulfillment, sortation, delivery, and data center optimization, risks of inventory management, seasonality, the degree to which the Company enters into, maintains, and develops commercial agreements, proposed and completed acquisitions and strategic transactions, payments risks, and risks of fulfillment throughput and productivity. Other risks and uncertainties include, among others, risks related to new products, services, and technologies, system interruptions, government regulation and taxation, and fraud. In addition, the global economic climate amplifies many of these risks. More information about factors that potentially could affect Amazon.com's financial results is included in Amazon.com's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and subsequent filings.

Additional information relating to certain of our financial measures contained herein, including non-GAAP financial measures, is available in the appendix to our presentation, our most recent earnings release and at our website at www.amazon.com/ir.

Free Cash Flow -- TTM ^{(1) (2)}

MM

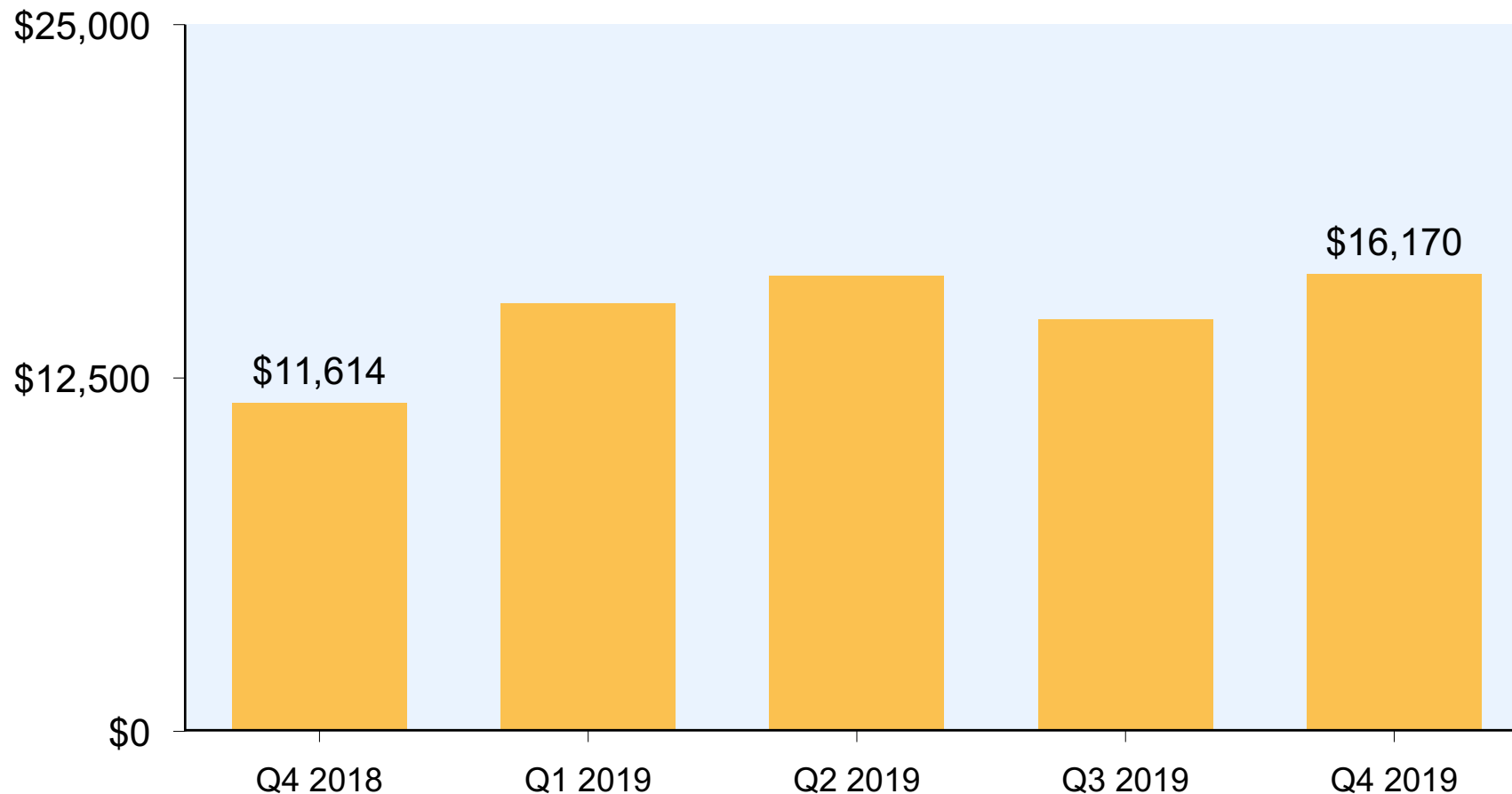


Long-Term Goal – Optimize Free Cash Flows

- (1) Free cash flow is cash flow from operations reduced by “Purchases of property and equipment, net of proceeds from sales and incentives.” See Appendix for a reconciliation of operating cash flow to free cash flow.
- (2) Trailing twelve-month period.
- (3) Operating cash flow grew 25% Y/Y.

Free Cash Flow Less Principal Repayments of Finance Leases and Financing Obligations -- TTM ⁽¹⁾ ⁽²⁾ ⁽³⁾

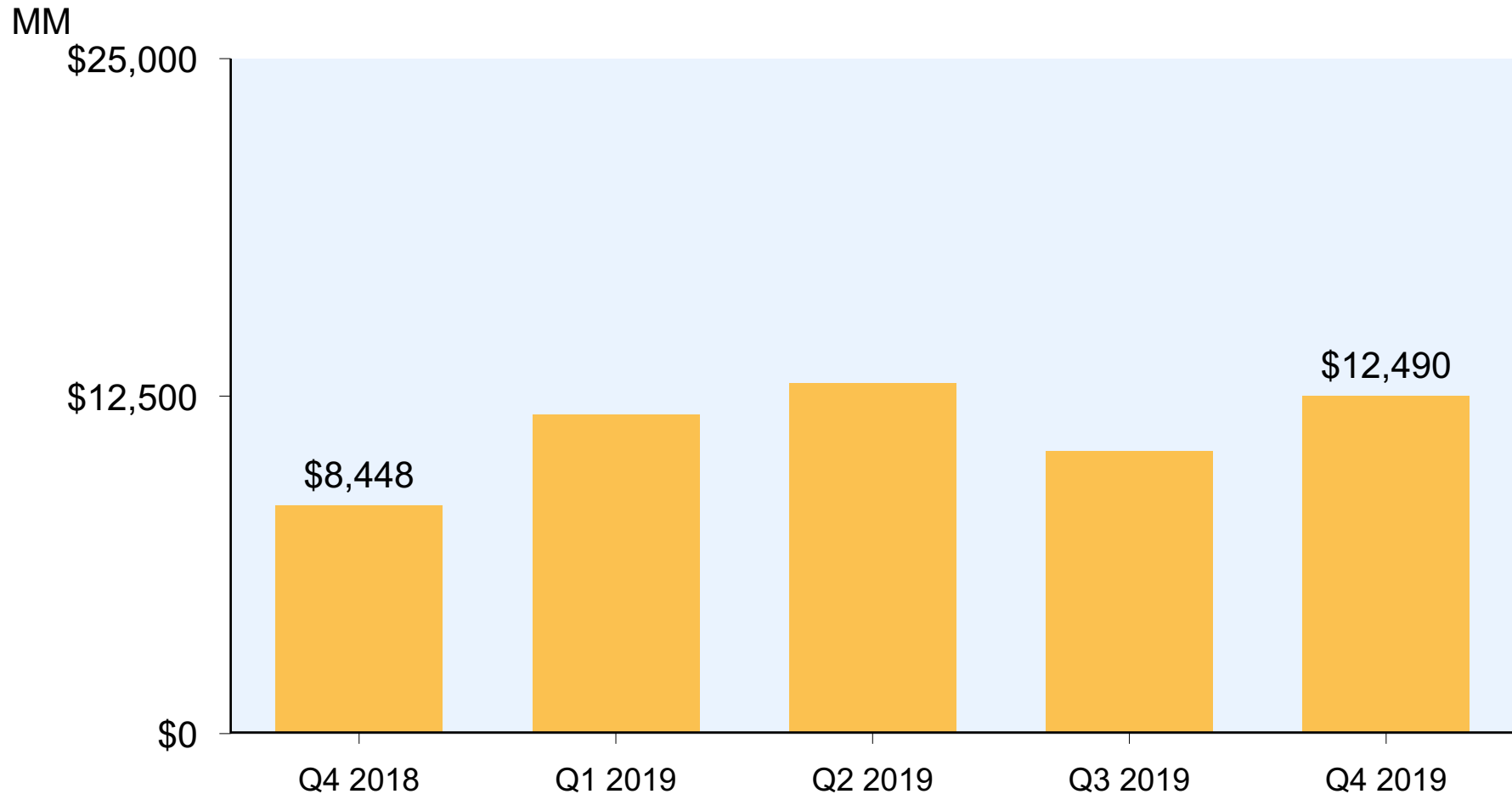
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Long-Term Goal – Optimize Free Cash Flows

- (1) On January 1, 2019, we adopted accounting guidance amending the accounting for leases, which did not have a material impact on our 2019 operating results. Prior period amounts were not retrospectively adjusted. Under this new guidance, leases we previously referred to as “capital leases” are now referred to as “finance leases.” Leases we previously referred to as “finance leases” are now referred to as “financing obligations.”
- (2) Free cash flow less principal repayments of finance leases and financing obligations is free cash flow reduced by “Principal repayments of finance leases” and “Principal repayments of financing obligations.” See Appendix for a reconciliation of non-GAAP measures.
- (3) Operating cash flow grew 25% Y/Y.

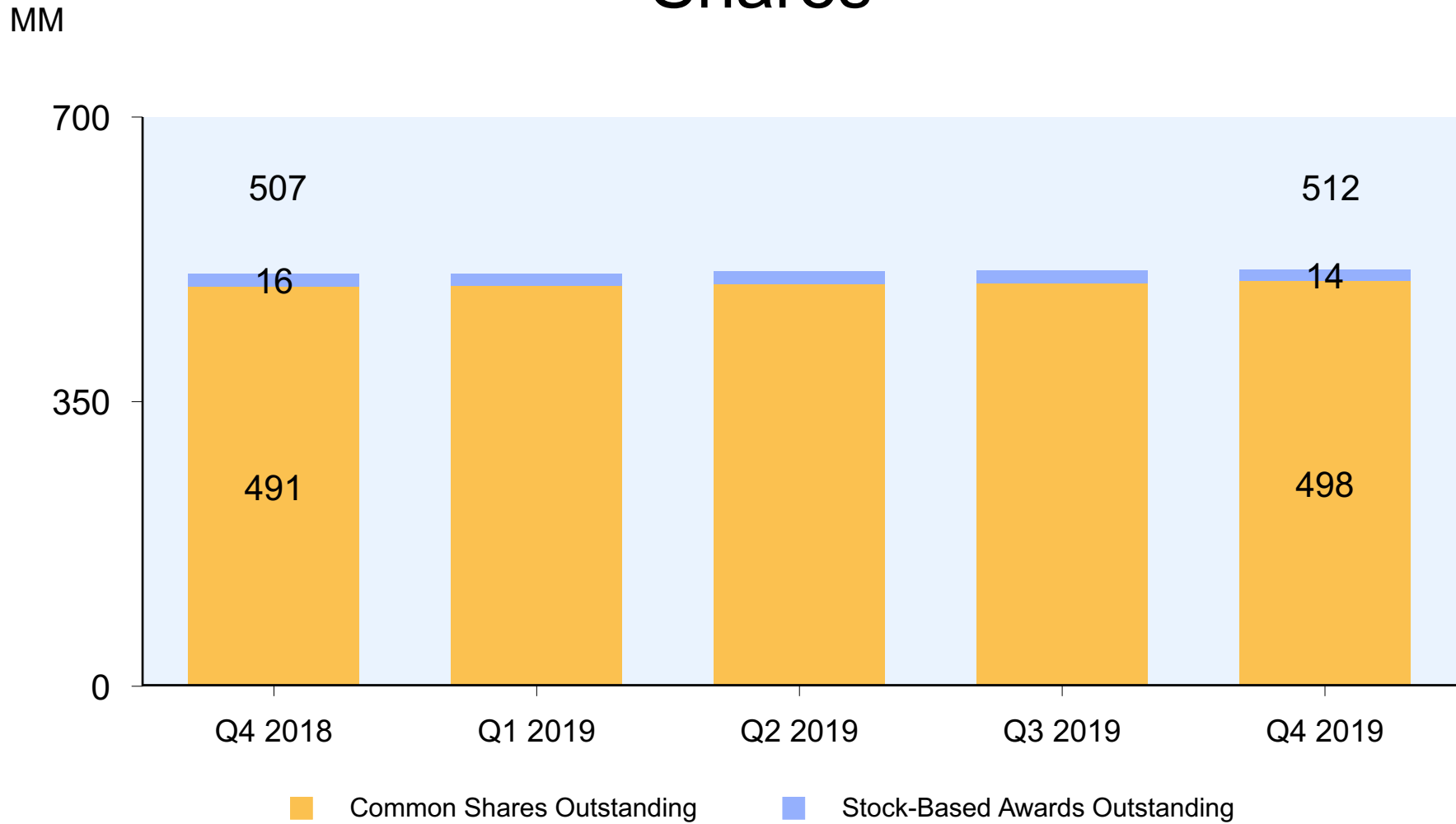
Free Cash Flow Less Equipment Finance Leases and Principal Repayments of All Other Finance Leases and Financing Obligations -- TTM ⁽¹⁾ ⁽²⁾ ⁽³⁾



Long-Term Goal – Optimize Free Cash Flows

- (1) On January 1, 2019, we adopted accounting guidance amending the accounting for leases, which did not have a material impact on our 2019 operating results. Prior period amounts were not retrospectively adjusted. Under this new guidance, leases we previously referred to as “capital leases” are now referred to as “finance leases.” Leases we previously referred to as “finance leases” are now referred to as “financing obligations.”
- (2) Free cash flow less equipment finance leases and principal repayments of all other finance leases and financing obligations is free cash flow reduced by equipment acquired under finance leases, which is included in “Property and equipment acquired under finance leases,” principal repayments of all other finance lease liabilities, which is included in “Principal repayments of finance leases,” and “Principal repayments of financing obligations.” See Appendix for a reconciliation of non-GAAP measures.
- (3) Operating cash flow grew 25% Y/Y.

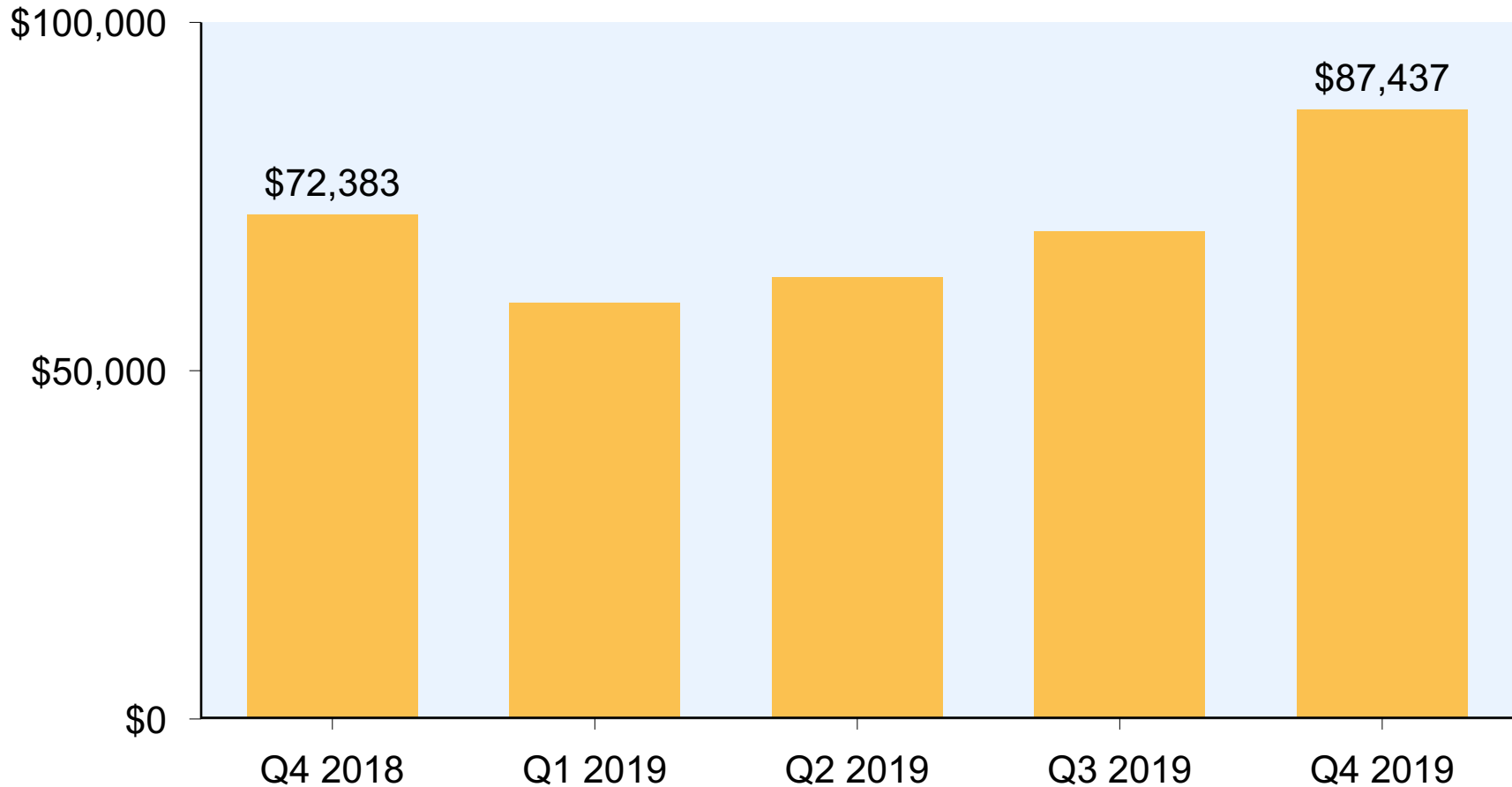
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Efficiently Managing Dilution

Net Sales

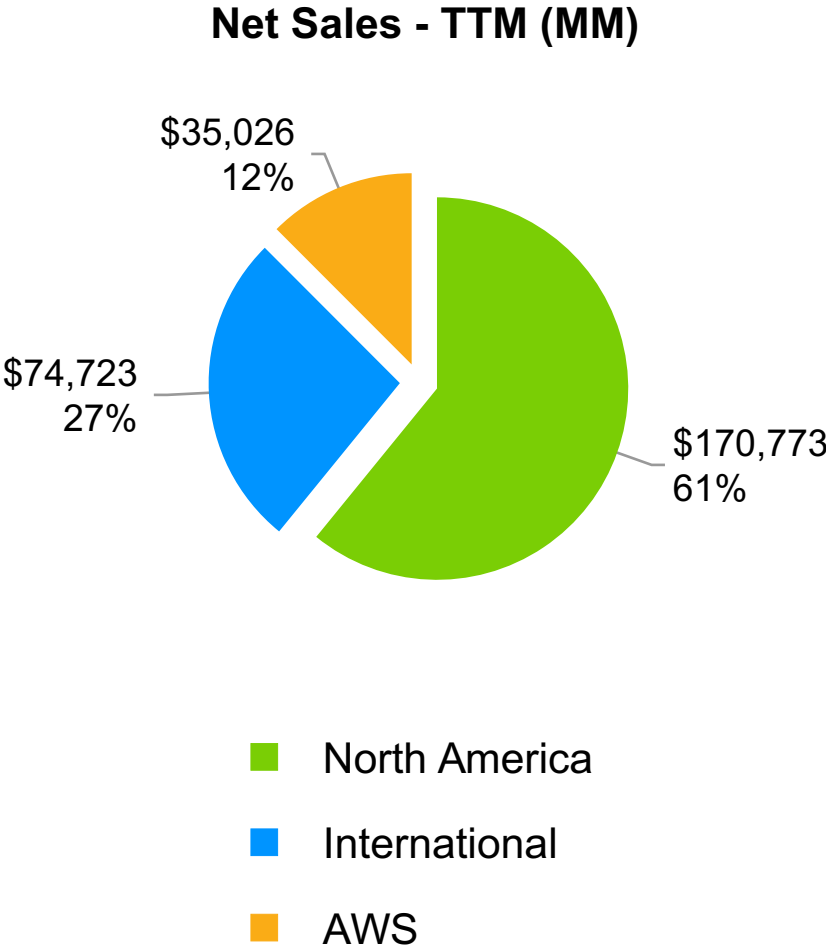
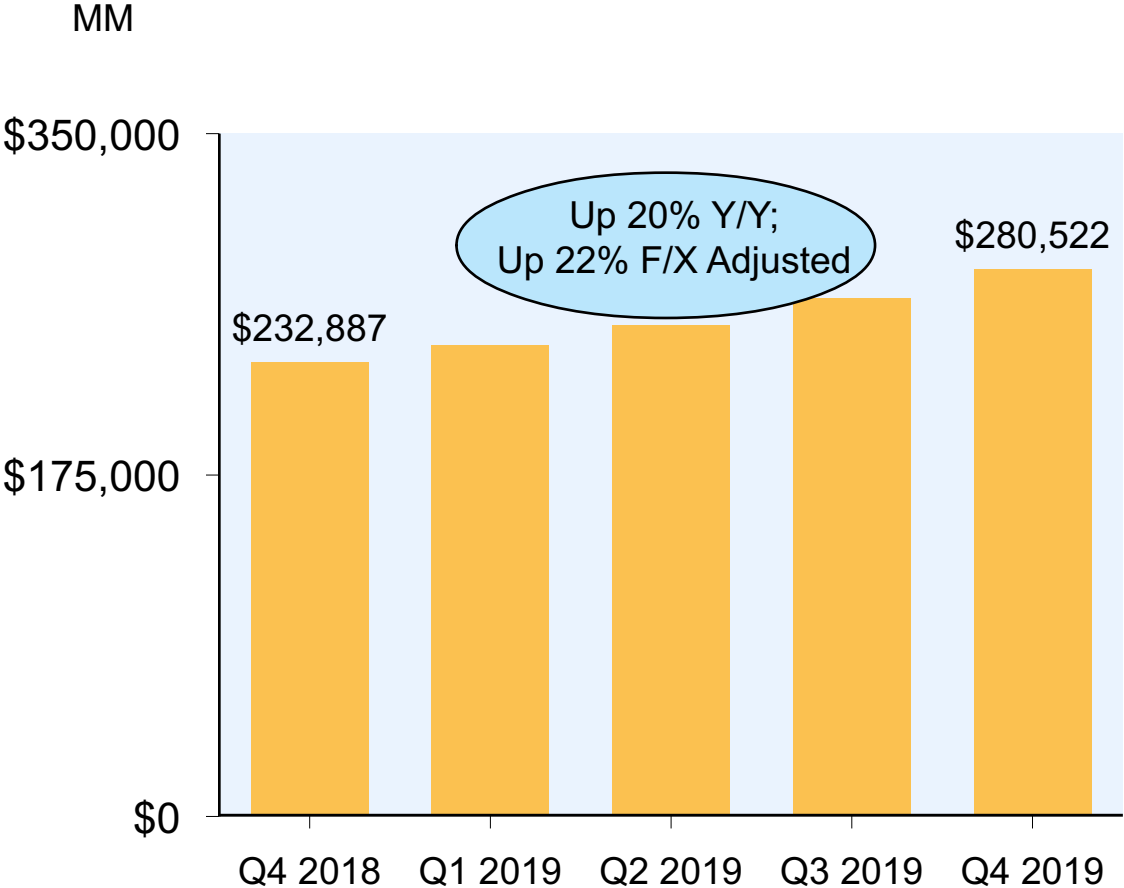
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Up 21% Y/Y, Up 21% F/X Adjusted (1)

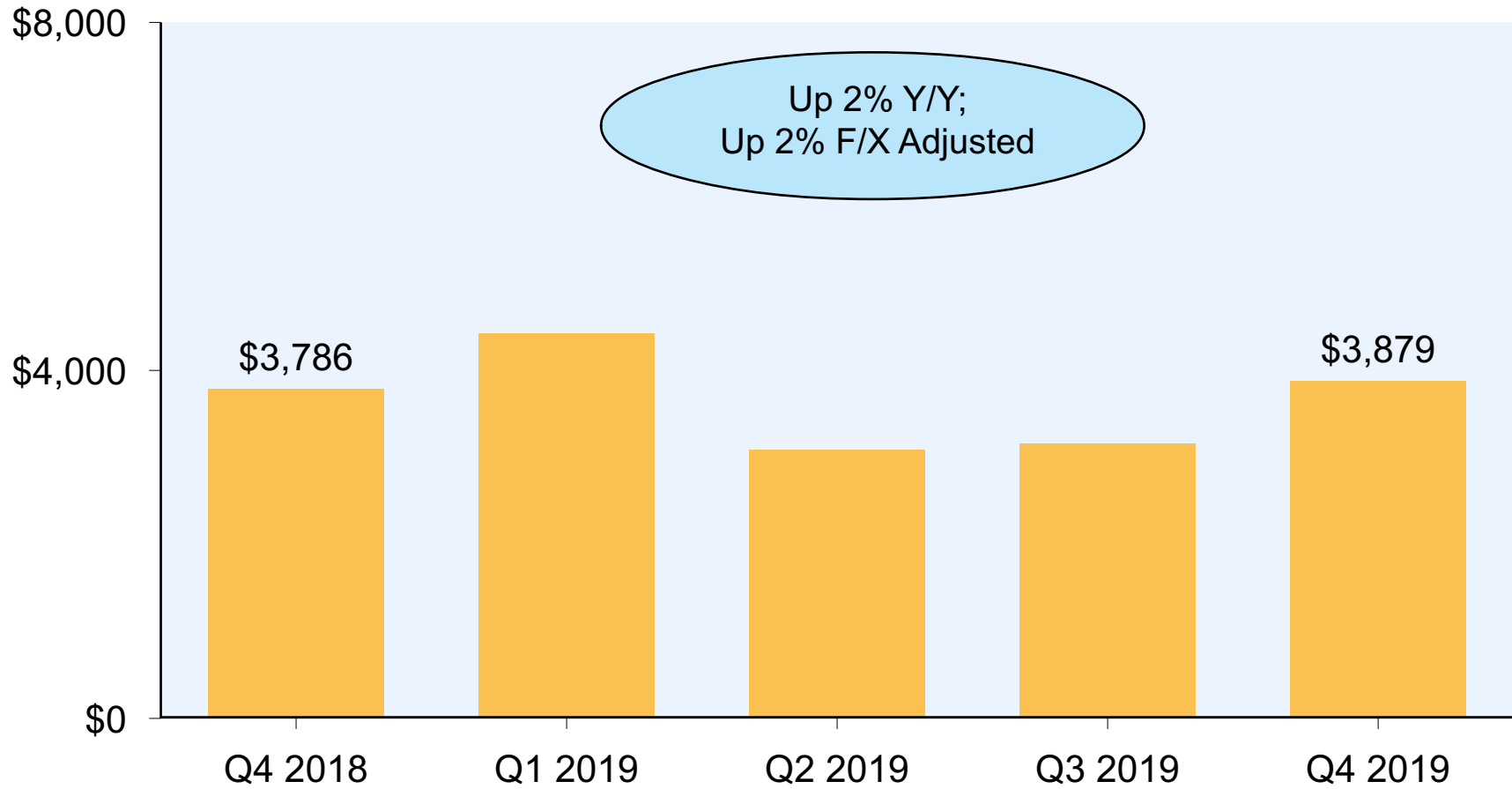
(1) Information regarding the effect of foreign exchange rates, versus the U.S. Dollar, on our net sales and operating income is provided to show reported period operating results had the foreign exchange rates remained the same as those in effect in the comparable prior year periods.

Net Sales – TTM



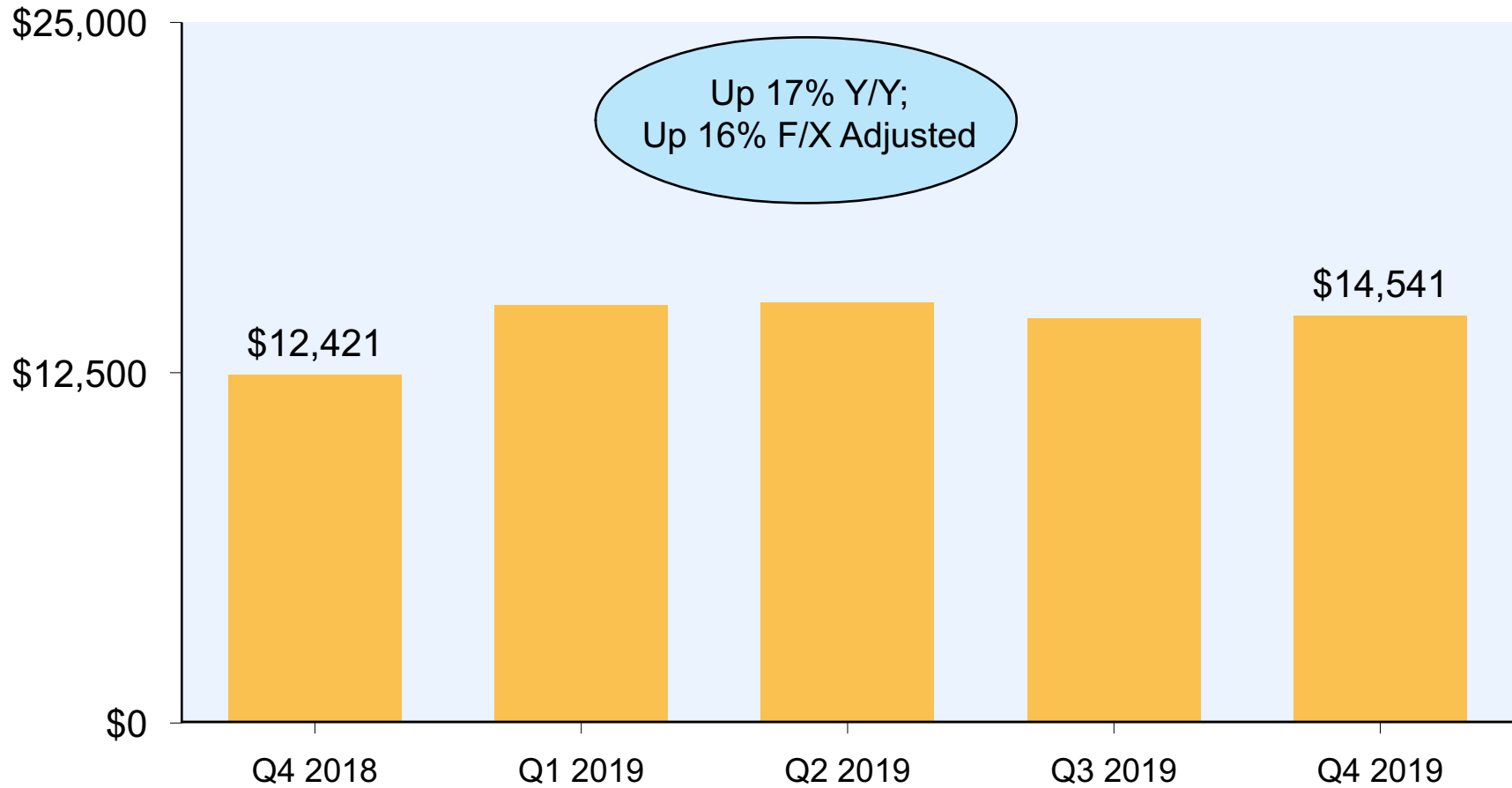
Operating Income

MM



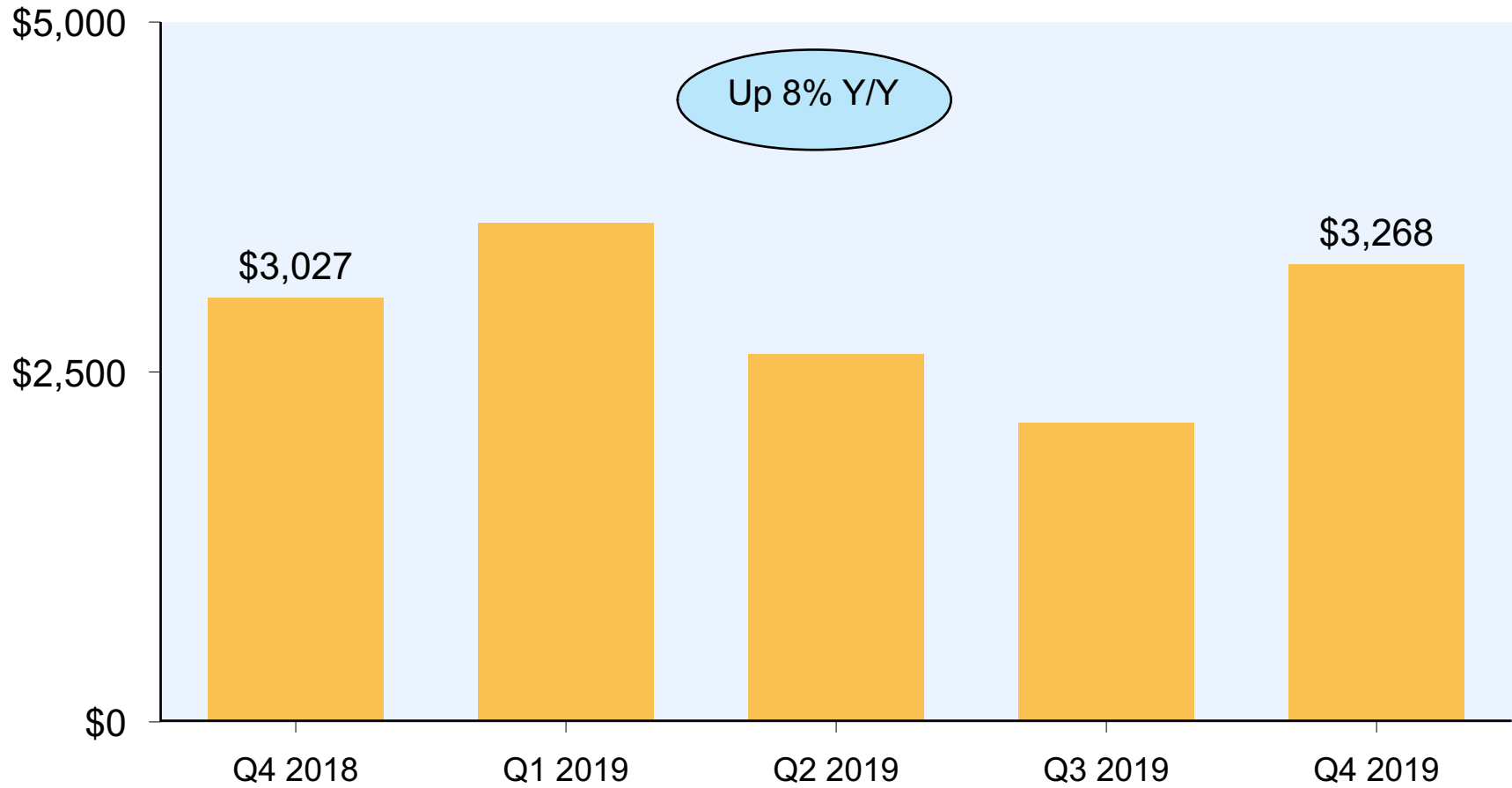
Operating Income – TTM

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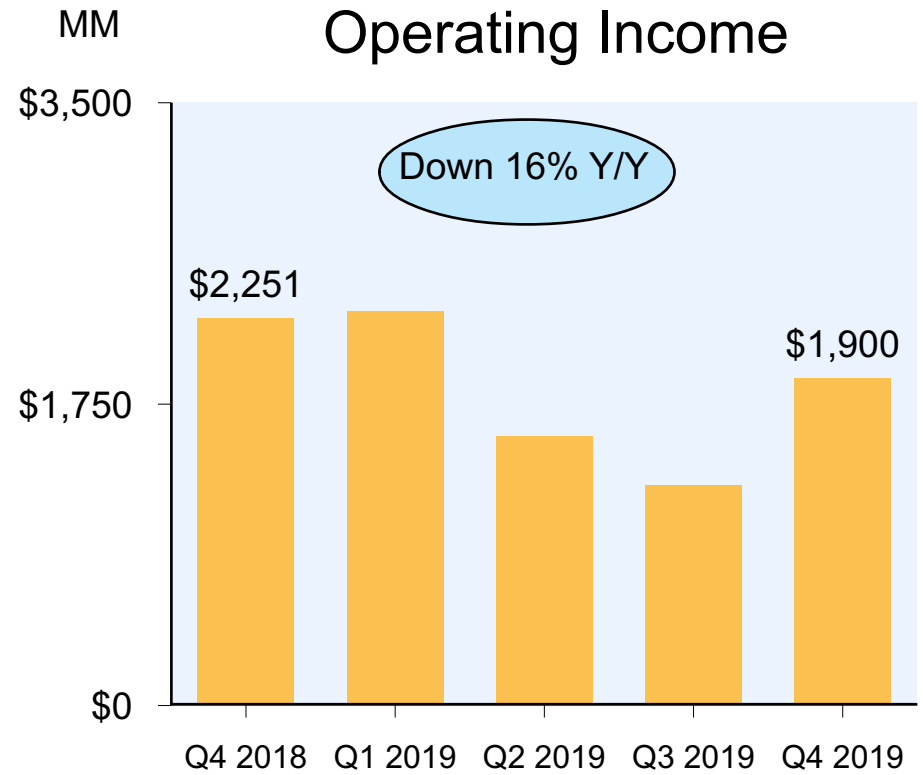
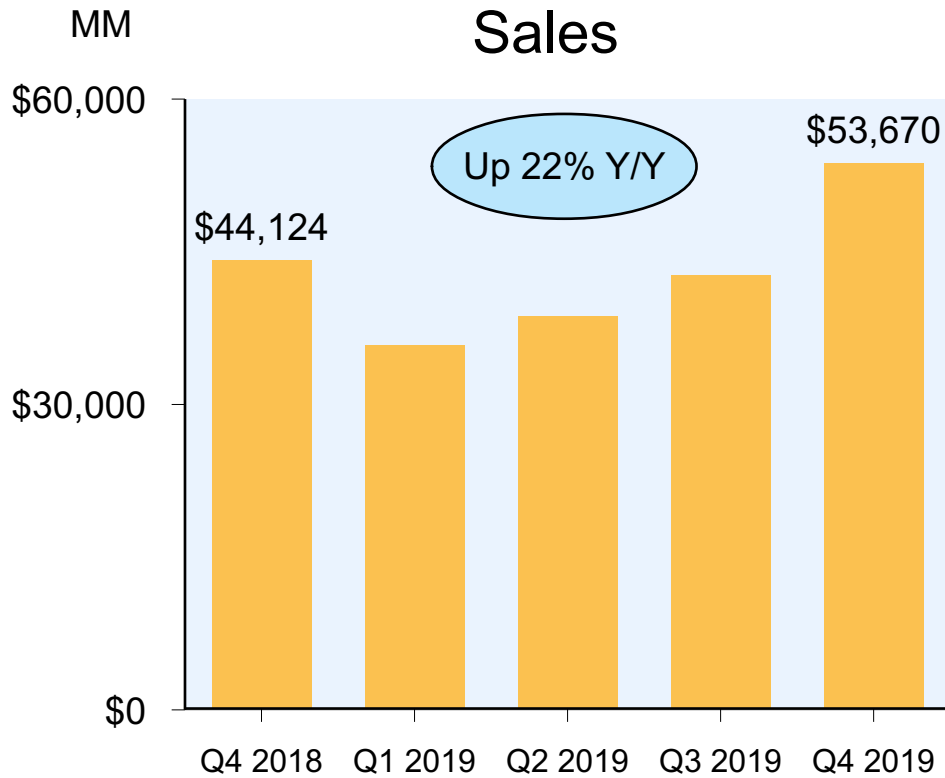


Net Income

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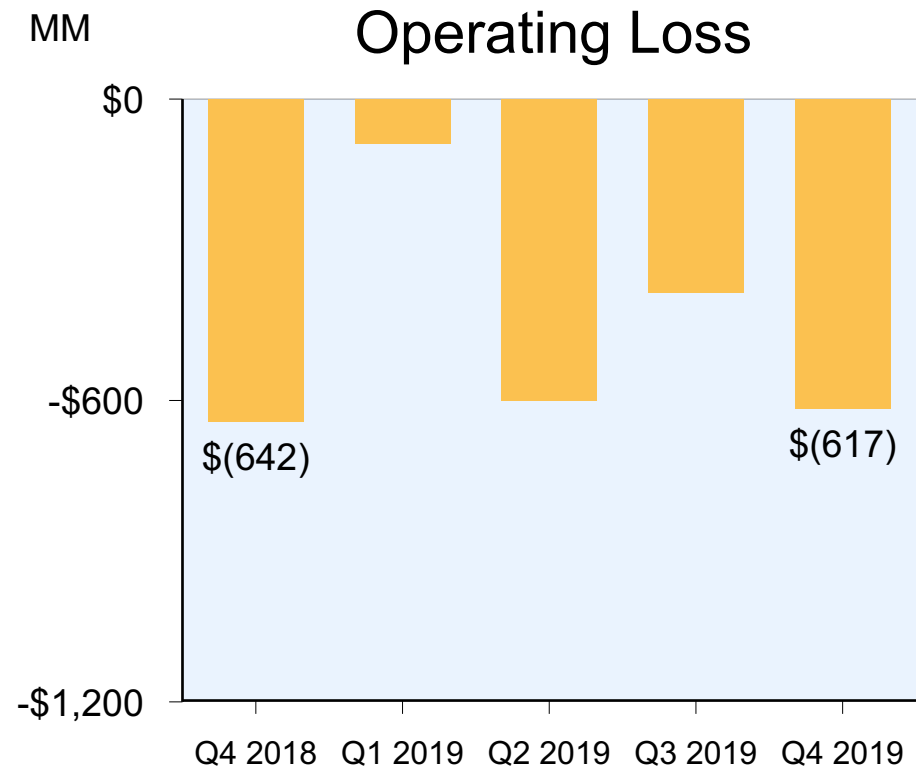
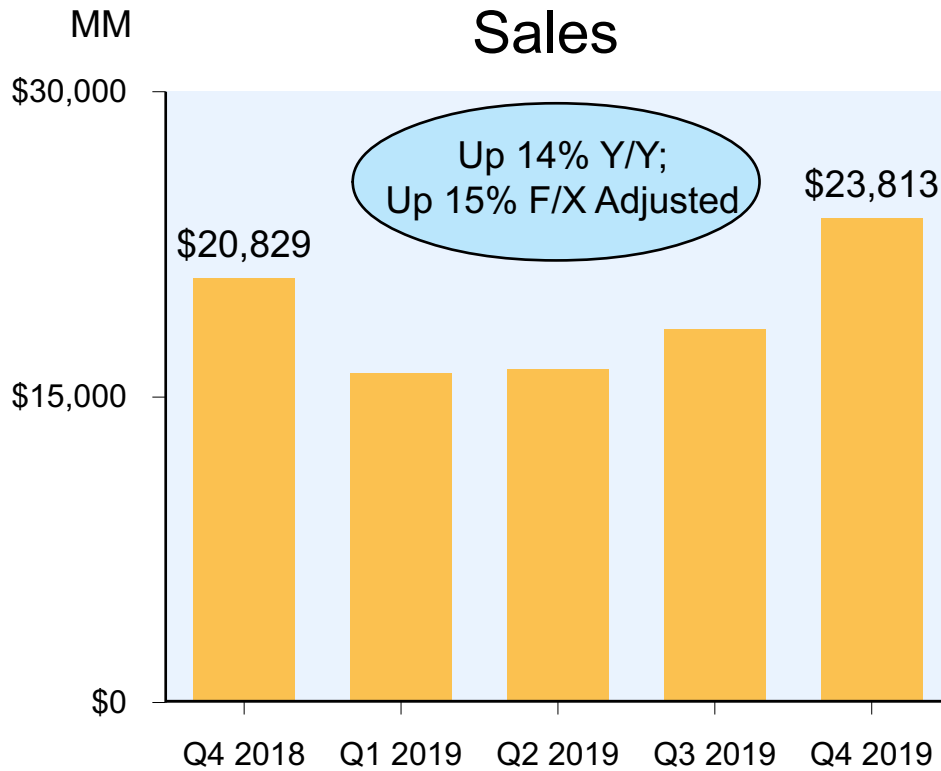


Segment Results – North America



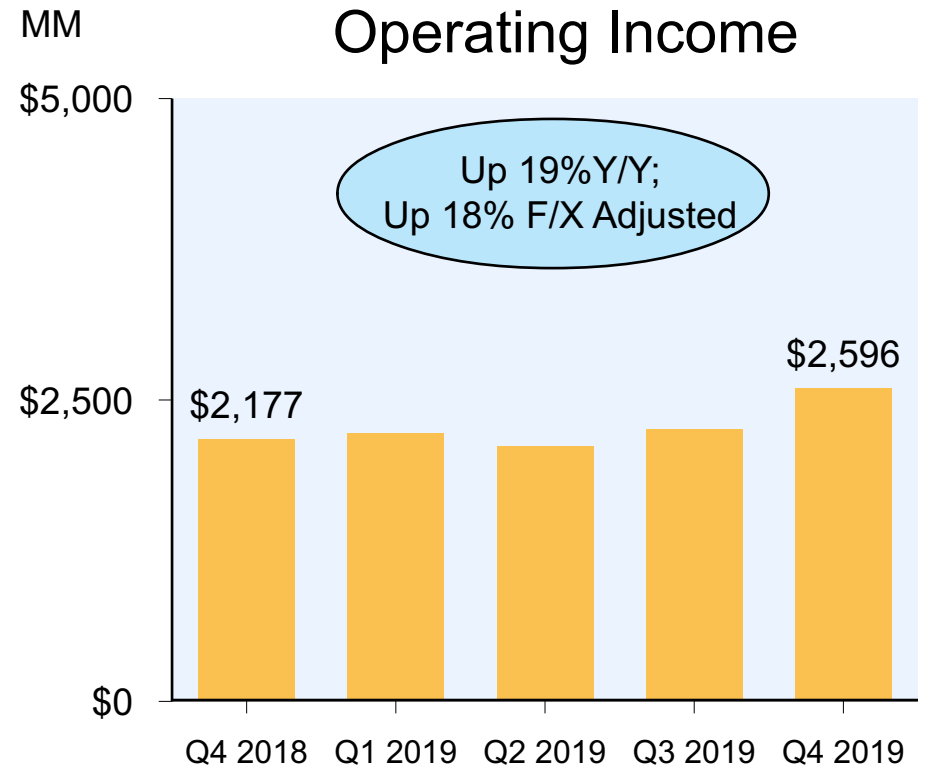
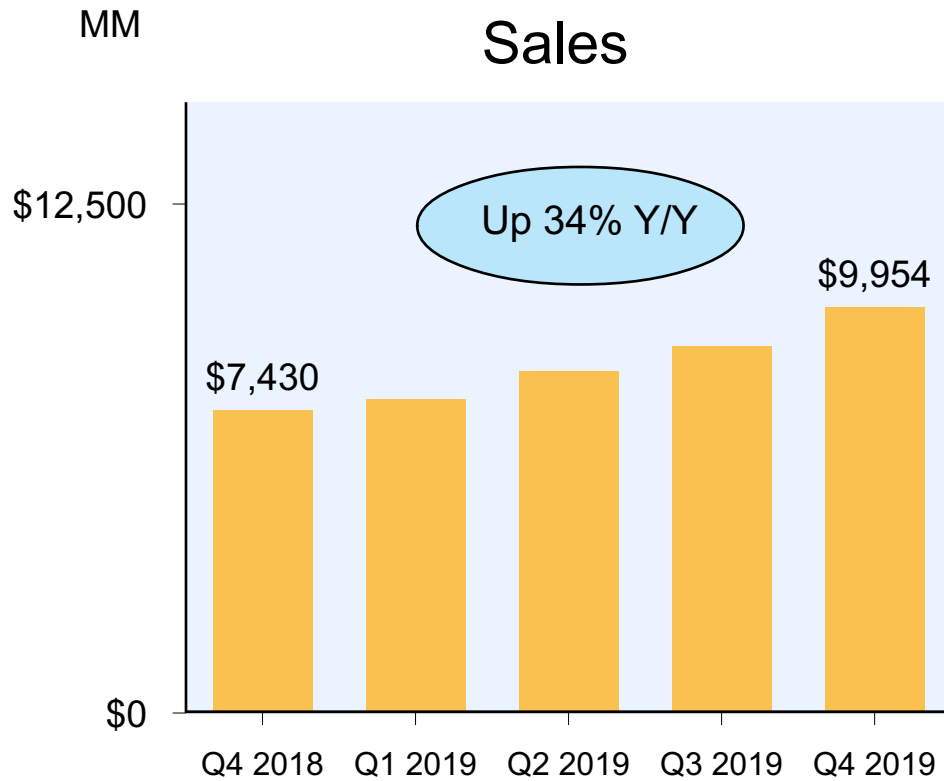
TTM Net Sales \$170.8B

Segment Results – International



TTM Net Sales \$74.7B

Segment Results – AWS



TTM Net Sales \$35.0B



Appendix

Free Cash Flow Reconciliation – TTM

MM	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q3 2019</u>	<u>Q4 2019</u>
Operating Cash Flow	\$30,723	\$34,360	\$36,029	\$35,332	\$38,514
Purchases of property and equipment, net of proceeds from sales and incentives	<u>(11,323)</u>	<u>(11,316)</u>	<u>(11,011)</u>	<u>(11,868)</u>	<u>(12,689)</u>
Free Cash Flow	<u><u>\$19,400</u></u>	<u><u>\$23,044</u></u>	<u><u>\$25,018</u></u>	<u><u>\$23,464</u></u>	<u><u>\$25,825</u></u>

Free Cash Flow Less Principal Repayments of Finance Leases and Financing Obligations Reconciliation – TTM ⁽¹⁾

MM	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q3 2019</u>	<u>Q4 2019</u>
Operating Cash Flow	\$30,723	\$34,360	\$36,029	\$35,332	\$38,514
Purchases of property and equipment, net of proceeds from sales and incentives	(11,323)	(11,316)	(11,011)	(11,868)	(12,689)
Principal repayments of finance leases ⁽¹⁾	(7,449)	(7,649)	(8,693)	(8,754)	(9,628)
Principal repayments of financing obligations ⁽¹⁾	(337)	(266)	(211)	(129)	(27)
Free Cash Flow Less Principal Repayments of Finance Leases and Financing Obligations ⁽¹⁾	<u>\$11,614</u>	<u>\$15,129</u>	<u>\$16,114</u>	<u>\$14,581</u>	<u>\$16,170</u>

(1) On January 1, 2019, we adopted accounting guidance amending the accounting for leases, which did not have a material impact on our 2019 operating results. Prior period amounts were not retrospectively adjusted. Under this new guidance, leases we previously referred to as “capital leases” are now referred to as “finance leases.” Leases we previously referred to as “finance leases” are now referred to as “financing obligations.”

Free Cash Flow Less Equipment Finance Leases and Principal Repayments of All Other Finance Leases and Financing Obligations Reconciliation – TTM ⁽¹⁾

MM	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q3 2019</u>	<u>Q4 2019</u>
Operating Cash Flow	\$30,723	\$34,360	\$36,029	\$35,332	\$38,514
Purchases of property and equipment, net of proceeds from sales and incentives	(11,323)	(11,316)	(11,011)	(11,868)	(12,689)
Equipment acquired under finance leases ^{(1) (2)}	(10,615)	(10,909)	(11,656)	(12,580)	(12,916)
Principal repayments of all other finance leases ^{(1) (3)}	(0)	(76)	(176)	(302)	(392)
Principal repayments of financing obligations ⁽¹⁾	(337)	(266)	(211)	(129)	(27)
Free Cash Flow Less Equipment Finance Leases and Principal Repayments of all other Finance Leases and Financing Obligations ⁽¹⁾	<u>\$8,448</u>	<u>\$11,793</u>	<u>\$12,975</u>	<u>\$10,453</u>	<u>\$12,490</u>

(1) On January 1, 2019, we adopted accounting guidance amending the accounting for leases, which did not have a material impact on our 2019 operating results. Prior period amounts were not retrospectively adjusted. Under this new guidance, leases we previously referred to as “capital leases” are now referred to as “finance leases.” Leases we previously referred to as “finance leases” are now referred to as “financing obligations.”

(2) For the twelve months ended December 31, 2019, this amount relates to equipment included in “Property and equipment acquired under finance leases” of \$13,723 million. Amounts for periods prior to 2019 have not been retrospectively adjusted.

(3) For the twelve months ended December 31, 2019, this amount relates to property included in “Principal repayments of finance leases” of \$9,628 million. Amounts for periods prior to 2019 have not been retrospectively adjusted.