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Acquisitions: Walmart vs Amazon

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by

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Executive Summary

The retail industry is in the process of undergoing major change. Historically big box brick and mortar strategies have dominated, but this is changing in the age of impatience and instant gratification. As consumers want items more conveniently, online retail has taken hold with no semblance of anticipated decline. At the forefront of this transformation are two industry giants: Walmart and Amazon. Walmart finds itself on the side of brick and mortar with 11,718 physical retail locations worldwide. Amazon is dominating the online retail space with control of a staggering 44% of all US e-commerce sales in 2017. These equally powerful yet opposing forces seem to have come to a realization. Walmart has determined that a purely brick and mortar strategy will not suffice and there must be a major focus on expanding e-commerce. Amazon has come to the realization that a pure e-commerce play will not be as effective as a mixed approach and is working into the brick and mortar space. As each giant finds itself on opposite sides of the spectrum they seek to reach the ideal equilibrium between physical and online retail, and acquisitions have been the remedy of choice.

Retail Strategy Overview: Walmart & Amazon

The retail industry is in the process of undergoing major change. Historically big box brick and mortar strategies have dominated, but this is changing in the age of impatience and instant gratification. As consumers want items more conveniently, online retail has taken hold with no semblance of anticipated decline.

At the forefront of this transformation are two industry giants: Walmart and Amazon. Walmart finds itself on the side of brick and mortar with 11,718 physical retail locations worldwide. (Our Locations). According to Reuters on October 31, 1969 Walmart was incorporated. The company is engaged in the retail space, wholesale through it's Sam's Club division and other units through different variations and subsidiaries around the globe. The Company offers an assortment of merchandise and services using their everyday low-price mantra. The Company operates through three segments: Walmart U.S., Walmart International and Sam's Club. The Walmart U.S. segment includes the Company's mass merchant concept, in the form of supercenters, in the United States operating under the Walmart brands, as well as digital retail. The Walmart International segment consists of the Company's operations outside of the United States, including various retail Websites. The Sam's Club segment includes the warehouse membership clubs in the United States, as well as samsclub.com." (Walmart Inc).

Inversely, Amazon is dominating the online retail space with control of a staggering 44% of all US e-commerce sales in 2017. (Amazon grabbed). According to Reuters, on May 28, 1996 Amazon.com was incorporated. "The company offers a range of products and services through its Websites. The Company operates through three segments: North America, International and Amazon Web Services. The Company's products include merchandise and content that it purchases for resale from vendors and those offered by third-party sellers. It also manufactures and sells electronic devices." (Amazon.com Inc).

These equally powerful yet opposing forces seem to have come to a realization. Walmart has determined that a purely brick and mortar strategy will not suffice and there must be a major focus on expanding e-commerce. Amazon has come to the realization that a pure e-commerce play will not be as effective as a mixed approach and is working into the brick and mortar space. As each giant finds itself on opposite sides of the spectrum they seek to reach the ideal equilibrium between physical and online retail.

Walmart has an advantage in having unparalleled physical capital in the form of its many stores while Amazon has taken a substantial lead in marketing its e-commerce and securing market share. As it has become apparent that a mixed approach to retail is going to be the future each has taken to closing its respective gaps between brick and mortar and e-commerce. Acquisitions have been the remedy of choice.

In an effort to bridge the gap between brick and mortar and e-commerce Walmart has acquired Jet.com in August 2016, Shoebuy in January 2017, Moosejaw in February 2017, Modcloth in March 2017, Bonobos in June 2017, and Parcel in September 2017. (Walmart's Been). Jet.com is an online retail site that utilizes dynamic pricing algorithms to optimize the pricing of baskets of online items with the price declining with larger basket sizes. (Rosenblum, P.). Shoebuy is an online e-commerce platform specializing in shoes, Moosejaw is an outdoor apparel retailer, Modcloth acts as an online womenswear site, Bonobos is a direct-to-consumer premium menswear brand, and Parcel is a last-mile delivery startup. (Walmart's Been). All of these acquisitions either focus on expanding online assortment and market share or technologies for improving online retail and delivery capabilities.

On the opposite side of the spectrum Amazon has made a significant acquisition into the brick and mortar space in the form of Whole Foods Markets in August 2017. (Thomas, L.). Amazon has also made significant acquisitions throughout its lifetime as it became the most dominant player in the e-commerce space. Amazon is no stranger to acquisitions, with at least 82 purchases since 2009 including most notably Audible, an online audiobook retailer in January 2008, LOVEFiLM a European Video streaming site in February 2008, Zappos.com an online shoe retailer in July 2009, and Souq.com a middle eastern online retailer in March 2017. (Zaroban, S., & Bloomberg News.). These acquisitions began with a purely online presence until the major shift into physical stores with the Whole Foods Market purchase. Although Whole Foods 470 stores pales in comparison to Walmart's 11,718 it is substantial in bringing forth the realization that brick and mortar still plays a role in retail and that Amazon is aware with this being a part of their strategy.

Walmart Acquisitions

As previously stated, Walmart is heavily invested in brick and mortar retail with an urgent push for furthering their e-commerce capabilities to match the growing trend of online retail. This has been accomplished through a string of acquisitions that will be analyzed further in depth during this section.

Walmart acquired Jet.com on September 19th, 2016 for $3.3 billion. According to Bloomberg, "Jet.com, Inc. operates a smart shopping platform that allows its member to shop online from various retailers. It enables users to shop products in various categories, such as household products, health and beauty, grocery, baby, pet supplies, electronics, home and furniture, appliances, patio and garden, toys and video games, books, music and movies, office products, automotive, sports and fitness, clothing, shoes and accessories, jewelry and watches, arts, and crafts and hobbies." (269314496). Jet.com was an important acquisition for various reasons. Most importantly was the founder Marc Lore coming onboard with Walmart after the acquisition. He has previously worked with Amazon after their purchase of his company Diapers.com and is viewed a leading mind in the online retail space. In addition, the purchase of Jet.com brought a wider consumer base with Jet's customers being more closely related in profile of Amazon shoppers than Walmart shoppers. Plus, Walmart took ownership of Jet's proprietary algorithm for pricing which allows consumers to save more with larger basket sizes. This type of idea falls in line with Walmart's everyday low-price strategy and will be able to be implemented on Walmart.com and Sams.com if found necessary. Lastly came a push towards a new demographic of underserved customers. In the words of Jet's President, Liza Landsman, "Jet focuses exclusively on chasing the urban millennial — a slightly more affluent demographic than the typical Walmart customer — and its initiatives are now viewed through that lens." (Green, D.). With Marc Lore and Jet came the drive for further acquisitions in the form of Shoebuy, Moosejaw, Modcloth, Bonobos, and Parcel.

On December 30th, 2016 Walmart acquired Shoebuy.com for $70 million. Bloomberg describes the firm by saying, "Shoebuy.com, Inc. engages in the online retail of women, men, and kid's footwear, apparel, bags, and accessories in the United States and internationally." (9686842). This move by Walmart to buy shoebuy.com, which has recently rebranded as shoes.com, comes as a strategic move to move into brands that Walmart could typically not carry. Walmart is seen as a low-price retailer and this serves as a barrier at times. Big name brands do not want to impede on their image by being sold at Walmart but have no issue being sold on platforms such as Jet and Shoes.com. Once again, this is a strong move in that it allows Walmart to access consumers in which they are under indexed. While Walmart carries very few high-profile shoe brands, Shoes.com is able to carry a much wider assortment of over 800 brands including: Birkenstock, Sketchers, Clarks, Adidas, Converse, New Balance, Rockport, Toms, Lucky Brand, Merrel, Sam Edelman, Timberland, Chaco, Teva, Vans, and Steve Madden. In Walmart's own words, "Jet will gain the experience of a well-established ecommerce player in the footwear industry, who has transformed the online shopping experience for millions of customers. ShoeBuy brings access to a large assortment of products, strong industry relationships, and rich content that will further enhance our customer experience." (Jet Announces). Walmart's acquisition spree is all about synergistic forces and the complementation of its existing businesses.

Moosejaw was acquired by Walmart February 13th, 2017 for $51 million. As stated by Bloomberg, New Moosejaw, LLC operates as a retailer of apparel and related products. These products range across all customer types including men, women, and kids. "The company offers jackets; clothing, such as hoodies, dresses and skirts, pants, shirts and tops, shorts, sweaters, sweatshirts and pullovers, tees and tank tops, socks, and boxers and briefs; footwear, such as boots, insulated boots, sandals, shoes, slippers, socks, and waterproof; and hike and camp, such as tents, backpacks, sleeping bags and pads, camp kitchen, hiking clothing and footwear, lighting, water bottles, camp furniture, and camp accessories." In addition Moosejaw also offers climbing, fitness, water sports, travel, and snow products. It sells products through retail store and online. (22742959). Walmart says, "Apparel and accessories is now the number one category for digital commerce, according to comScore, and we gain the experience of another well-established e-commerce player, this time in the active outdoor category." (Walmart Announces). Moosejaw was seen as an attractive acquisition because of previously discussed elements of assortment of products and also the benefit of an independent design team that operates in the outdoor space. This team will be able to revamp Walmart's outdoor and camping section in physical stores as well as strengthen its online portfolio of products. Some easily recognizable brands that were previously absent in Walmart's portfolio that came onboard with this purchase of Moosejaw are: The North Face, Patagonia, Columbia, Under Armour, Sorel, Osprey, Oakley, and Spyder. (North Face). With this expansion of brands, it is simple in relating this purchase strategy to the synergies provided in the earlier purchase of Shoes.com. The Detroit Free Press states, "Over the long term, Wal-Mart, hopes to leverage the privately held Michigan retailer's online sales knowledge and marketing of apparel and accessories and open opportunities for Moosejaw suppliers to expand their reach on Wal-Mart sites." (Witsil, F.).

Modcloth is a firm that Walmart acquired March 17th, 2017 for between $50 million and $75 million. According to Bloomberg, "ModCloth, Inc. engages in the retail and online retail of apparel for women internationally. It provides dresses, tops, bottoms, swimwear, shoes, accessories, home and gifts, and wedding products. The company also designs and produces a line of apparel in a range of sizes." (98339425). This purchase that is once again about more than just buying a company, but also buying is customer base. Forbes says, "With each acquisition, Walmart strategically buys new customers. It's part of the company's overall strategy to grow digital sales and grow their customer base." (Heller, L.). Walmart is aware of its customer base and is aggressively pushing into under-indexed areas in an attempt to stifle the dominance of Amazon in online retail. There has been a recent push by Walmart to improve it's clothing selection in store with the retirement and refreshment of many older Walmart brands. Acquisitions like this will lend the team greater insight to popular and upcoming clothing that may be implemented into new Walmart private clothing brands. Walmart acknowledges, “Walmart was attracted to ModCloth for several reasons, including its strong social media presence, highly engaged community and the way its brand has developed a reputation for inclusiveness — ranging from body positivity to lifestyle inclusiveness to size diversity.” (Lunden, I., & Perez, S.). Modcloth serves as the female side of this strategy and the next acquisition of Bonobos is the male counterpart acquisition.

Bonobos was acquired by Walmart on June 16th, 2017 for $310 million. (Walmart to Acquire). Bloomberg’s company overview reads that “Bonobos, Inc. offers pants and shorts, shirts, suiting, sweaters and outwears, shoes, and accessories for men. It provides sport shirts; pants and shorts in various categories, such as washed chinos, non-iron, game day chinos, bull denim, stretch cotton, dress cotton, corduroy, wool, shorts, and swim; wrinkle-free, dress, oxford, polo, and T shirts; summer suiting, suits, blazers, ties, and black ties; sweaters and outwears; and shoes in various categories, such as dress, casual, boots, slip-ons, stormy skies, flip flops, and boat shoes. The company also provides sunglasses, umbrellas, belts, bags, neckwear, underwear, socks, watches, and wallets. It sells its products online.” This wide variety of items fits perfectly into Walmart’s strategy of increasing assortment. (58222435). In its press release concerning the acquisition, Walmart describes Bonobos further in saying, “Bonobos is a clothing brand focused on delivering great fit, excellent customer experience, and a fun approach to menswear. Launched online in 2007 with its signature line of better-fitting men's pants, Bonobos is one of the leading apparel brands ever built on the web in the United States. In 2011 Bonobos extended offline, launching Bonobos Guideshops, e-commerce stores that deliver personalized, one-to-one service to those wanting to experience the brand in person. To date, Bonobos has 35 Guideshops across the United States. In 2012, Bonobos expanded its distribution partnering with Nordstrom, bringing Bonobos apparel into all 118-doors nationwide and to Nordstrom.com.” (Walmart to Acquire). The products offered by Bonobos compliment the acquisition of ModCloth very well, so it comes as no surprise to see the purchase only months later. This combination targets a younger higher income consumer in comparison to the average Walmart shopper and is a direct jab at Amazon’s consumer base. The firm also brings with it an expertise in customer service which is something Walmart’s founder, Sam Walton, was very focused on. Business Insider explains, while Bonobos could be putting money toward traditional marketing campaigns, they instead choose to focus that money towards bettering the customer experience. The company believes that by keeping current customers happy, that will increase their number of customers rather than the traditional format of essentially purchasing customers through advertisements. “By investing in customer satisfaction, they get the rewards of traditional branding in the end, but build their company on top of steadier, more reliable customers, a well-earned reputation, and the best marketing of all — personal testimonials from friends and acquaintances.” This business model works to increase customer satisfaction while also keeping profits in line with analyst and shareholder expectations. (Leighton, M.).

While these previously mentioned acquisitions have all added value in various respects, Walmart also found it imperative to attack Amazon’s lead in delivery capabilities. It is no secret that Amazon Prime members receive free two-day shipping on all orders. Walmart has countered with free two-day shipping on orders over $35, but this is a game of cash drain. It is fairly simple to get a truckload of goods from a major city to smaller rural areas, but it becomes much more difficult to get those goods from the rural shipping center to each individual household. That is the issue of last-mile delivery. With Amazon losing seven billion dollars in shipping in 2017, it is no surprise that Walmart made the acquisition of Parcel. (Bishop, T.). Parcel was acquired by

Walmart on October 3rd 2017 for less than $10 million. As reported by Nasdaq, Walmart is doing everything in itsd power to stay relevant in the delivery space. This sheds light on Walmarts purchase of Parcel for $10 million. Their capabilities will go a long way in ensuring Walmart is able to keep pace with Amazon. “New York-based Parcel is a last-mile 24/7 delivery service which specializes in same-day delivery for perishable and non-perishable products. This will thus aid the retail giant to compete with e-commerce biggie Amazon.com, Inc. in delivering everyday items as well as food and groceries from Walmart and Jet.com.” (Z.). It is logistics services such as Parcel that Walmart hopes to use to unlock the secret to last-mile delivery. This firm has been profitably delivering same day items much in the same way as Amazon has in various metropolitan areas around the United States. This also works handily with the Jet.com acquisition seeing that they serve a high number of urban consumers and have already began to tackle these issues that come with that niche. Business Insider acknowledges this in stating, “everything about Jet is designed and implemented with that in mind, from its checkout and shopping experiences to initiatives to get packages to people who rent apartments in buildings without security guards to receive them. For the latter, Jet partnered with the startup Latch to install keyless systems for delivery workers to enter apartment buildings and leave packages.” (Green, D.). Walmart understands that it must match Amazon’s capabilities if it hopes to remain competitive and potentially overcome Amazon’s early e-commerce advantages.

Amazon Acquisitions

Amazon began its exponential growth into the world’s largest online retailer by a string of high profile e-commerce centric purchases before shifting focus and taking big box retailers such as Walmart head on with the brick and mortar play in the form of an acquisition of Whole Foods Markets. The most notable of these purchases by Amazon and finally the game changing acquisition of Whole Foods markets will be analyzed further in the section.

Audible was acquired by Amazon in January of 2008 for 300 million dollars during Amazon’s push further into e-books as the first disruptive wave in the ecommerce space. This company proved to be highly beneficial in that effort as Bloomberg highlights its capabilities in the description, “Audible, Inc. provides digital spoken audio information and entertainment services. The Company offers digital edition books, newspapers, magazines, television, programming, and radio for personal computers, compact disks, and mobile devices. Audible serves customers worldwide.” (Audible Inc). This move by Amazon made perfect sense as at the time it was in competition with Apple and this broadened their assortment of audio books. Reuters mentions, Amazon has pushed further into this space with the release of its Kindle E-reader. (Paul, F.). Audible served as the ideal source of quick content for the Kindle which began to solidify Amazon as a powerful player in all things e-commerce.

LOVEFiLM was the next firm in Amazon’s sights being purchased for $315 million shortly after Audible in February of 2008. As put by Bloomberg in its company description, “LOVEFiLM International Limited provides film and entertainment subscription services in Europe. It also offers online DVD rental services ranging from new releases to documentaries to games; and video games rental and legal film download services. The company offers its customers to watch movie trailers, red carpet interviews, and book cinema tickets in the United Kingdom through its online cinema listings engine. It serves its customers in the United Kingdom, Germany, Sweden, Denmark, and Norway.” (Subscribe). Having put up competition to Apple in the form of expanded content under Audible, LOVEFiLM was a shot at Netflix. The

Financial Times states, with this e-commerce site providing movie downloads and looking into the possibility of streaming, this move could serve as a direct competition to Netflix while also widening Amazon's repertoire. (Subscribe). There is a recurring theme here in that Amazon will find opportunities in the market and make plays through acquisition to exploit them. With LOVEFiLM Amazon once again strengthened its online presence and expanded its portfolio of products to be distributed.

Amazon acquired Zappos.com in July of 2009 for $1.2 billion. This firm served as a prime target as it was shaking up the norms of management and business in exactly the way Amazon was hoping to continue with its own business model. Vault describes the Zappos by saying, "Zappos.com has become the #1 seller of shoes online by stressing customer service. It stocks 3 million pairs of shoes, handbags, and apparel and accessories, specializing in more than 1,000 brands that are difficult to find in mainstream shopping malls. Through its website (and 7,000 affiliate partners), Zappos.com distributes stylish and moderately priced footwear to frustrated and shop-worn customers nationwide." (Zappos.com). The usage of "shop-worn customers" serves as insight into Amazon's strategy of disrupting brick and mortar retail. Amazon saw this as an opportunity to purchase Zappos' customer service abilities, leadership, and unique culture that have now been integrated into the firm. All of these aspects are part of why Amazon continues its agile dominance in the retail space. Jeff Bezos says, "Zappos is a customer focused company. We see great opportunities for both companies to learn from each other and create even better experiences for our customers." (Amazon.com to).

In expanding its e-commerce presence, Amazon purchased Souq.com in March of 2017 for $580 million. This was a push to expand internationally as Souq is a middle easter online retailer. More specifically, Bloomberg identifies the company in the description, "Souq.com FZ-LLC operates an e-commerce platform in the Middle East and North Africa region. It offers products in the categories of baby and toddler, mobiles and accessories, computers and tablets, clothing and shoes, watches and jewelry, perfumes and fragrances, and toys and gaming, as well as TVs, audio, and camera. The company also operates as a marketplace for third party sellers." (117039637). This purchase by Amazon was a simple move as Souq had already been described at the "Amazon of the Middle East" (Lunden, I.). Tech crunch believes that Souq gives Amazon immediate advantage rather than taking valuable time to build up needed competencies; Souq brings with it an infrastructure for payments and fulfillment plus a complimentary online market that works with a large number of outside vendors. (Lunden, I.).

All of these previously mentioned acquisitions helped get Amazon to the point of dominance in which they find themselves today in regard to the e-commerce space. Much as Walmart built up super centers very quickly and efficiently, but soon reached the point of saturation and now must focus on store improvement; Amazon was able to exploit weaknesses in the market and build up an overwhelming position in online retail but must now move to satisfy the areas of the market with which they have not penetrated. This is where the next acquisition comes into play. Walmart realized they could not survive without expanding into online retail. Amazon realized they could not finish the rise to total dominance without expanding into brick and mortar retail thus the acquisition of Whole Foods Market.

Amazon acquired Whole Foods Markets in June 2017. "Whole Foods Market is the world's largest natural foods grocery chain. Founded in 1980, it pioneered the supermarket concept in natural and organic foods retailing. The company operates more than 470 stores throughout the US, Canada, and the UK and focuses on organic perishable and prepared products. It sells private-label items through its 365 Organic Everyday Value and Allegro Coffee lines, and offers a variety of non-GMO, vegan and gluten-free foods.", according to Vault. (Whole Foods). Amazon is gaining physical capital very quickly with this purchase. Bloomberg states, "Amazon gets a network of stores where it can implement decades' worth of experiments in how people pick, pay for and get groceries delivered. The Whole Foods deal is an acknowledgment that it can't build its own physical footprint quickly enough alone. CEO Jeff Bezos will try to recast Whole Foods' ailing business, likely starting with upgraded technology, in much the same he has upended book selling, retailing, newspapers and other industries." (Turner, N., Wang, S., & Soper, S.). With Amazon's focus on speed in delivery it makes sense to have a physical footprint around the country. Walmart changed the world of logistics with Sam Walton's idea of distribution center networking expansion, and Amazon realizes that while two-day delivery is possible with the postal service, one-hour delivery is only possible with more brick and mortar capital on the ground. The acquisiton and expansion of Whole Foods was the largest of all discussed acquisitions at $13.7 billion and likely the most synergistic. The Whole Foods Markets purchase may not have broken into any customer base that Amazon did not already permeate, but it definitely expanded abilities needed now and into the future as Amazon continues to expand.

Recent Acquisition News Walmart vs Amazon

The most recent battle between Walmart and Amazon for control of the retail space is in India. Both retail giants have begun talks to acquire a majority stake in the Indian e-commerce company Flipkart. As directly defined by Reuters, "Flipkart Online Services, is an India-based company, which operates as an online retailer. Its products include movies, music, games, mobiles, cameras, computers, healthcare and personal products, home appliances and electronics, stationery, perfumes, toys, apparels, and shoes. The Company's electronic items consists of mobiles, tablets, mobile accessories, laptops, computer accessories, cameras, camera types and accessories, camera accessories, audio and video, gaming and consoles, software, personal appliances, health care devices, and home and kitchen. Its home and kitchen items include home furnishing, bed, kitchen, bath, living, home appliances, tools and home improvement, and kitchen appliances. It also provides kids clothing, toys and games, baby care, watches, kids footwear, men's and women's clothing, footwear, sunglasses and grooming products." (Company Profile). Walmart is in the advantage when it comes to this race for Flipkart as they would face the least regulatory hurdles in acquiring the firm. The major issue Walmart would face is a four-year deal between Flipkart and Ebay that gives Ebay power over all merchandise until the remaining three years in the deal reach expiration. Recode reports that, "So even if Walmart gets control of Flipkart, it may not be able to consummate actual merchandise deals with Flipkart — it seems likely it'll have to settle this arrangement first. eBay also has the right to take back control of the eBay India brand name should Flipkart get acquired, according to one person familiar with the arrangement." (Rey, J. D.). Regardless of Walmart's talks or regulatory hurdles, Amazon is not deterred in their attempt to acquire a majority stake in Flipkart. Inc 42 reports that, "Days after Walmart completed due diligence on Flipkart, global rival Amazon has reportedly offered a breakup fee of around $1 Bn to $2 Bn to the homegrown ecommerce unicorn, thus wedging itself in a deal that could potentially catapult Flipkart's valuation to over $20 Bn" (Amazon Offers). It will be interesting to follow the negotiations between Flipkart and these two behemoths as they fight for the online sales in India that are projected to reach $200 billion by 2026, with that being only a scratch in the surface at 12% of India's total retail sales. (Vena, D.).

Stock Price Analysis – Walmart vs Amazon Acquisitions

This section will cover the movement of Walmart stock one month before, during, and one month after an acquisition by Walmart or Amazon as well as the total percentage change during that entire period. This analysis will be in chronological order.

Amazon purchased Audible in January 2008. Amazon's stock price began at $94.31 on December 3rd, 2007. By January 7th, 2008 it had dropped 10 percentage points from the previous day to $81.08 before finishing down two percent on February 4th, 2008. The total change for this time period was a loss of 28 percentage points. This stock depreciation was expected as typically acquirers stock prices suffer during an acquisition.

In relation to Amazon's acquisition of Audible, Walmart's stock price began at $38.03 on December 3rd, 2007. By January 7th, 2008 it was up four percent from the previous day to $37.19, before ending down five percent on February 4th, 2008. During this time period the total price change ended at zero percent. These results are of little surprise considering the first acquisitions for Amazon during its transition into online retail were not seen as a direct threat to Walmart. There is an expectation of higher stock movement correlation as Amazon begins to be seen as a threat to Walmart and Walmart begins to push into Amazon's e-commerce market.

Amazon acquired ILOVEFiLM in February of 2008. On January 7th, 2008 the stock price sat at $81.08. On February 2nd, 2008 the stock was down two percent on the day before finishing down one percent on March 3rd, 2008. In total this period's stock price was down 27 percent. Once again, this is common during a firm's period of acquiring another firm and is likely compounded by the overlapping of this purchase with that of Audible. From one month prior to the Audible purchase to one month past the purchase of ILOVEFiLM, Amazon had seen a stock depreciation of 47 percent. While pull backs are common this is definitely a substantial loss for Amazon during its early stages of movement into the e-commerce space.

During Amazon's purchase of ILOVEFiLM, Walmart's stock began at $37.19 on January 7th, 2008. By February 4th, 2008 it was down on the day five percent before finishing March 3rd, 2008 up four percent on the day. Walmart's stock had experienced a positive total change of four percent during the time period. The total change throughout both acquisitions was only two percent. This lack of correlation between movement in Walmart stock and Amazon's acquisition further reinforces the idea that the two firms had yet to be recognized as the competitors they are today.

The next of Amazon's acquisitions came in the form of Zappos.com during July 2009. Amazon stock began at $87.56 on May 25th, 2009 before moving down on the day two percent to $77.62 on July 6th, 2009. By August 3rd, 2009, the stock price had risen to $85.32 for a total period price change of plus nine percentage points. As compared to the previous acquisitions, it seems that this purchase was taken more positively by the market. Amazon had begun to find its niche and was strengthening it with firms that analyst believed to make sense.

In comparison, Walmart's stock had begun at $39.87 on May 25th, 2009 and by August third had made very little changes ending at $39.51 on August 3rd, 2009 for a total price change of negative two percent. While Walmart stock did see a small price reaction during this acquisition period, it was insignificant and seems to lack the direct correlation of perceived direct competitors.

Walmart made the next acquisition in August of 2016 when it purchased Jet.com. Walmart's stock price began on July 4th, 2016 at $70.56. By August 1st, 2016 it had moved only slightly before finishing at $67.63 on September 5th, 2016 for a total price change during the period of negative four percent. Looking at the data it seems like this acquisition slightly boosted the price before dipping back down and leveling out. The markets act as if they were not so impressed with the Jet.com acquisition despite Walmart's attempts to market it as a significant push into e-commerce. It seems that it has over time greatly benefited Walmart with the gain of Jet.com CEO Marc Lore and his push for further acquisitions, but these long-term gains were not acknowledged at the time.

At this time on July 4th, 2016 Amazon stock was trading at $745.81. By August 1st, 2016 the stock had risen to $765.98 before finishing on September 5th, 2016 at $760.14. For the entire period of the acquisition this was only a total movement of two percent. While it would be expected that an acquisition of this size by Walmart would negatively impact the stock of Amazon it seems that the markets felt that Walmart had more to prove beyond the purchase of Jet.com. This matches the little market reaction felt on the Walmart stock side of this transaction.

Walmart made the next string of purchases when it bought Shoeboy.com in January of 2017, Moosejaw in February of 2017, and Modcloth In March of 2017. On December 5th, 2016 Walmart's stock price was at $67.43. By the purchase of Moosejaw, it has dropped slightly to around $65.91 before ending up on April 3rd, 2017 to $71.16. During this period of intense acquisition, it is positive for Walmart to see a change from December 5th, 2017 to April 3rd, 2018 of positive five percent. While this analysis is at a weekly level that may miss daily changes, it would be expected that large announcements of multiple acquisitions may influence the stock price negatively. Five percent can be interpreted as significant, and it is important to remember that these acquisitions came as a major shift in strategy for Walmart. As organic growth had slowed, and Amazon solidified their position in the e-commerce market there was little choice but to expand online retail through expansion. An element of this price change may have also been the acquisition of Souq.com by Amazon in March 2017.

Amazon acquired Souq.com in March of 2017. The stock price of Amazon on February 6th, 2017 was $827.46. This was a significant increase from the price of $768.66 in the month leading up to Walmart's acquisition of Shoebuy.com, and the trend continued April 3rd, 2017 when Amazon's stock price was at $894.88. That was a growth of eight percent for the period of one month prior to the Souq purchase until one month after, and an even more significant increase of fourteen percent for the period beginning one month prior to Walmart's purchase of Shoebuy until a month after the Souq deal. While the news of acquisition accomplished moderate levels of elevation for Walmart's stock price during this period, it is obvious that the market looked at this deal with admiration. Amazon had made a big play internationally and the market rewarded shareholders accordingly.

Walmart acquired the firm Bonobos in June 2017. On May 1st, 2017 the price of Walmart stock was at $74.68. This price saw little change for the duration of the acquisition with the price hitting $78.04 on June 5th, 2017 and ending at $74.25 on July 3rd, 2017. This period was a total change of around negative one percent and it was apparent the market did not reward Walmart for its acquisition efforts. There looks to be a hesitance in the markets to believe that Walmart can compete with Amazon in the e-commerce space.

In the period of time during the Bonobos acquisition, starting May 5th, 2017 Amazon stock was at $394.15. By June 5th, 2017 the price had reached $978.31 and finished at $978.76 on July 3rd, 2017. While Walmart stock had depreciated around negative one percent during this period Amazon stock had appreciated around five percent. This could have been a jab by the market at Walmart or early market movement as rumors leaked about the upcoming Whole Foods Markets acquisition.

Whole Foods Markets was acquired by Amazon in August 2017. On July 3^{rd}, 2017 the price of Amazon stock was at \$978.76. By August 7^{th}, 2017 it had depreciated to \$967.99 and continued this trend down to \$965.90 on September 4^{th}, 2017. That was a depreciation of around one percent. As the stock had appreciated substantially in the months before this, the period chosen may have missed the positive market reaction for this deal, this movement may have been influenced by the end of the Bonobos Acquisition, the beginning of the Parcel acquisition, or even a hesitance by the market to buy into Amazon's ability to turn Whole Foods into a viable brick and mortar retail weapon against Walmart.

During this period of the Whole Foods acquisition, Walmart saw its stock begin on July 3^{rd}, 2017 at \$74.03. By August 8^{th}, 2017 it had improved position to \$79.01 and pulled back slightly into September 4^{th}, 2017 ending at \$78.00. For this period that was a total change in price of positive five percent in comparison to Amazon's depreciation of one percent during that same time. This stock movement is peculiar in that most media seemed to take the Amazon Whole Foods purchase in a positive light, but the markets felt differently at this point in time in a manner similar to the dampened reaction to Walmart's Jet.com purchase.

Lastly, Walmart acquired Parcel in September of 2017. On August 7^{th}, 2017 the Stock price of Walmart was at \$79.01 but had slipped to \$78.00 by September 4^{th}, 2017. The price finished strong on October 9^{th}, 2017 at \$85.65. From period beginning to end Walmart stock had strengthened eight percent in the period. This is one of the largest gains found in the acquisition analysis and shows two things. First that the market agrees with Walmart in that last mile delivery technology will be imperative in competing with amazon, and also that looking forward at the data that a bull market was on the move in the months to come.

Amazon stock during this period began at \$967.99 on August 8^{th}, 2017 before pulling back to \$965.90 on September 4^{th}, 2017. This was short lasted as the stock recovered to \$1002.94 on October 9^{th}, 2017. This was a solid time span for Amazon with prices improving three percent over the period. Once again this was likely the beginning of the bull market forces seen through the data in the coming months.

Conclusion

The retail environment will continue to undergo change. While this is the case both Walmart and Amazon will have to continue to advance and adapt to market forces. While Walmart pushes to loosen Amazon's strangle hold on the e-commerce space, Amazon will fight into the brick and mortar aspect of retail. In retail there are two sides to the spectrum: all brick and mortar and all online. The correct strategy is somewhere in the middle. The advantage in this battle between the industry giants Walmart and Amazon is difficult to define. It will come down to where the customer's ultimate preference ends up on the retail spectrum. Walmart's brick and mortar dominance may serve little good if retail shifts primarily to online. Similarly, Amazon's e-commerce dominance will mean very little if difficulties arise and brick and mortar become supreme once again.

Analysis of the stock prices during the period of these acquisitions paint an interesting tale. In the beginning the market doubted Amazon, but as its dominance grew it was simple to see a trend of market trust. By the time Walmart had begun its acquisition spree it seemed that the market had discounted their ability to compete with Amazon online and saw it more as a game of catch up. This makes perfect sense when looking at how the market has chosen to value the two companies. From the first analyzed acquisition until the last, Amazon stock appreciated 1494.56%. In comparison, Walmart stock appreciated 131.21%. There is no doubt that this will continue to be an ever-changing battle between industry titans as acquisitions and strategy take the forefront as the world waits to see who will control the retail industry.

Table of Acquisitions

Walmart Acquisitions	Amazon Acquisitions
Jet.com	Whole Foods Markets
Shoebuy	Audible
Moosejaw	LOVEFiLM
Modcloth	Zappos.com
Bonobos	Souq.com
Parcel	

Financial Statements - Walmart

WALMART INC (WMT) CashFlowFlag INCOME STATEMENT						
Fiscal year ends in January. USD in millions except per share data.	2014-01	2015-01	2016-01	2017-01	2018-01	TTM
Revenue	$ 476,294.00	$ 485,651.00	$ 482,130.00	$ 485,873.00	$ 500,343.00	$ 500,343.00
Cost of revenue	$ 358,069.00	$ 365,086.00	$ 360,984.00	$ 361,256.00	$ 373,396.00	$ 373,396.00
Gross profit	$ 118,225.00	$ 120,565.00	$ 121,146.00	$ 124,617.00	$ 126,947.00	$ 126,947.00
Operating expenses						
Sales, General and administrative	$ 91,353.00	$ 93,418.00	$ 97,041.00	$ 101,853.00	$ 106,510.00	$ 106,510.00
Total operating expenses	$ 91,353.00	$ 93,418.00	$ 97,041.00	$ 101,853.00	$ 106,510.00	$ 106,510.00
Operating income	$ 26,872.00	$ 27,147.00	$ 24,105.00	$ 22,764.00	$ 20,437.00	$ 20,437.00
Interest Expense	$ 2,335.00	$ 2,461.00	$ 2,548.00	$ 2,367.00	$ 2,330.00	$ 2,330.00
Other income (expense)	$ 119.00	$ 113.00	$ 81.00	$ 100.00	$ (2,984.00)	$ (2,984.00)
Income before income taxes	$ 24,656.00	$ 24,799.00	$ 21,638.00	$ 20,497.00	$ 15,123.00	$ 15,123.00
Provision for income taxes	$ 8,105.00	$ 7,985.00	$ 6,558.00	$ 6,204.00	$ 4,600.00	$ 4,600.00
Minority interest	$ 673.00	$ 736.00	$ 386.00	$ 650.00	$ 661.00	$ 661.00
Other income	$ 673.00	$ 736.00	$ 386.00	$ 650.00	$ 661.00	$ 661.00
Net income from continuing operations	$ 16,551.00	$ 16,814.00	$ 15,080.00	$ 14,293.00	$ 10,523.00	$ 10,523.00
Net income from discontinuing ops	$ 144.00	$ 285.00				
Other	$ (673.00)	$ (736.00)	$ (386.00)	$ (650.00)	$ (661.00)	$ (661.00)
Net income	$ 16,022.00	$ 16,363.00	$ 14,694.00	$ 13,643.00	$ 9,862.00	$ 9,862.00
Net income available to common shareholders	$ 16,022.00	$ 16,363.00	$ 14,694.00	$ 13,643.00	$ 9,862.00	$ 9,862.00
Earnings per share						
Basic	$ 4.90	$ 5.07	$ 4.58	$ 4.40	$ 3.29	$ 3.29
Diluted	$ 4.88	$ 5.05	$ 4.57	$ 4.38	$ 3.28	$ 3.28
Weighted average shares outstanding						
Basic	$ 3,269.00	$ 3,230.00	$ 3,207.00	$ 3,101.00	$ 2,995.00	$ 2,995.00
Diluted	$ 3,283.00	$ 3,243.00	$ 3,217.00	$ 3,112.00	$ 3,010.00	$ 3,010.00
EBITDA	$ 35,861.00	$ 36,433.00	$ 33,640.00	$ 32,944.00	$ 27,982.00	$ 27,982.00

WALMART INC (WMT) CashFlowFlag BALANCE SHEET					
Fiscal year ends in January. USD in millions except per share data.	2014-01	2015-01	2016-01	2017-01	2018-01
Assets					
Current assets					
Cash					
Cash and cash equivalents	$ 7,281.00	$ 9,135.00	$ 8,705.00	$ 6,867.00	$ 6,756.00
Total cash	$ 7,281.00	$ 9,135.00	$ 8,705.00	$ 6,867.00	$ 6,756.00
Receivables	$ 6,677.00	$ 6,778.00	$ 5,624.00	$ 5,835.00	$ 5,614.00
Inventories	$ 44,858.00	$ 45,141.00	$ 44,469.00	$ 43,046.00	$ 43,783.00
Prepaid expenses	$ 1,909.00	$ 2,224.00	$ 1,441.00	$ 1,941.00	$ 3,511.00
Other current assets	$ 460.00				
Total current assets	$ 61,185.00	$ 63,278.00	$ 60,239.00	$ 57,689.00	$ 59,664.00
Non-current assets					
Property, plant and equipment					
Land	$ 26,184.00	$ 26,261.00	$ 25,624.00	$ 24,801.00	$ 25,298.00
Fixtures and equipment	$ 45,756.00	$ 47,851.00	$ 49,950.00	$ 51,843.00	$ 55,082.00
Other properties	$ 106,738.00	$ 108,522.00	$ 112,480.00	$ 114,485.00	$ 117,477.00
Property and equipment, at cost	$ 178,678.00	$ 182,634.00	$ 188,054.00	$ 191,129.00	$ 197,857.00
Accumulated Depreciation	$ (60,771.00)	$ (65,979.00)	$ (71,538.00)	$ (76,951.00)	$ (83,039.00)
Property, plant and equipment, net	$ 117,907.00	$ 116,655.00	$ 116,516.00	$ 114,178.00	$ 114,818.00
Goodwill	$ 19,510.00	$ 18,102.00	$ 16,695.00	$ 17,037.00	$ 18,242.00
Other long-term assets	$ 6,149.00	$ 5,671.00	$ 6,131.00	$ 9,921.00	$ 11,798.00
Total non-current assets	$ 143,566.00	$ 140,428.00	$ 139,342.00	$ 141,136.00	$ 144,858.00
Total assets	$ 204,751.00	$ 203,706.00	$ 199,581.00	$ 198,825.00	$ 204,522.00
Liabilities and stockholders' equity					
Liabilities					
Current liabilities					
Short-term debt	$ 11,773.00	$ 6,402.00	$ 5,453.00	$ 3,355.00	$ 8,995.00
Capital leases	$ 309.00	$ 287.00	$ 551.00	$ 565.00	$ 667.00
Accounts payable	$ 37,415.00	$ 38,410.00	$ 38,487.00	$ 41,433.00	$ 46,092.00
Taxes payable	$ 3,520.00	$ 3,613.00	$ 3,065.00	$ 3,737.00	$ 3,718.00
Accrued liabilities	$ 12,762.00	$ 13,254.00	$ 13,649.00	$ 13,916.00	$ 13,295.00
Deferred revenues					$ 2,017.00
Other current liabilities	$ 3,566.00	$ 3,306.00	$ 3,414.00	$ 3,922.00	$ 3,737.00
Total current liabilities	$ 69,345.00	$ 65,272.00	$ 64,619.00	$ 66,928.00	$ 78,521.00
Non-current liabilities					
Long-term debt	$ 41,771.00	$ 41,086.00	$ 38,214.00	$ 36,015.00	$ 30,045.00
Capital leases	$ 2,788.00	$ 2,606.00	$ 5,816.00	$ 6,003.00	$ 6,780.00
Deferred taxes liabilities	$ 8,017.00	$ 8,805.00	$ 7,321.00	$ 9,344.00	$ 8,354.00
Minority interest	$ 5,084.00	$ 4,543.00	$ 3,065.00	$ 2,737.00	$ 2,953.00
Other long-term liabilities	$ (3,593.00)	$ (4,543.00)	$ (3,065.00)	$ (2,737.00)	$ (2,953.00)
Total non-current liabilities	$ 54,067.00	$ 52,497.00	$ 51,351.00	$ 51,362.00	$ 45,179.00
Total liabilities	$ 123,412.00	$ 117,769.00	$ 115,970.00	$ 118,290.00	$ 123,700.00
Stockholders' equity					
Common stock	$ 323.00	$ 323.00	$ 317.00	$ 305.00	$ 295.00
Additional paid-in capital	$ 2,362.00	$ 2,462.00	$ 1,805.00	$ 2,371.00	$ 2,648.00
Retained earnings	$ 76,566.00	$ 85,777.00	$ 90,021.00	$ 89,354.00	$ 85,107.00
Accumulated other comprehensive income	$ (2,996.00)	$ (7,168.00)	$ (11,597.00)	$ (14,232.00)	$ (10,181.00)
Total stockholders' equity	$ 76,255.00	$ 81,394.00	$ 80,546.00	$ 77,798.00	$ 77,869.00
Total liabilities and stockholders' equity	$ 199,667.00	$ 199,163.00	$ 196,516.00	$ 196,088.00	$ 201,569.00

WALMART INC (WMT) Statement of CASH FLOW						
Fiscal year ends in January. USD in millions except per share data.	**2014-01**	**2015-01**	**2016-01**	**2017-01**	**2018-01**	**TTM**
Cash Flows From Operating Activities						
Depreciation & amortization	$ 8,870.00	$ 9,173.00	$ 9,454.00	$ 10,080.00	$ 10,529.00	$ 10,529.00
Deferred income taxes	$ (279.00)	$ (503.00)	$ (672.00)	$ 761.00	$ (304.00)	$ (304.00)
Accounts receivable	$ (566.00)	$ (569.00)	$ (19.00)	$ (402.00)	$ (1,074.00)	$ (1,074.00)
Inventory	$ (1,667.00)	$ (1,229.00)	$ (703.00)	$ 1,021.00	$ (140.00)	$ (140.00)
Accounts payable	$ 531.00	$ 2,678.00	$ 2,008.00	$ 3,942.00	$ 4,086.00	$ 4,086.00
Accrued liabilities	$ 103.00	$ 1,249.00	$ 1,303.00	$ 1,137.00	$ 928.00	$ 928.00
Income taxes payable	$ (1,224.00)	$ 166.00	$ (472.00)	$ 492.00	$ (557.00)	$ (557.00)
Other non-cash items	$ 17,489.00	$ 17,599.00	$ 16,490.00	$ 14,499.00	$ 14,869.00	$ 14,869.00
Net cash provided by operating activities	$ 23,257.00	$ 28,564.00	$ 27,389.00	$ 31,530.00	$ 28,337.00	$ 28,337.00
Cash Flows From Investing Activities						
Investments in property, plant, and equipment	$ (13,115.00)	$ (12,174.00)	$ (11,477.00)	$ (10,619.00)	$ (10,051.00)	$ (10,051.00)
Property, plant, and equipment reductions	$ 727.00	$ 570.00	$ 635.00	$ 456.00	$ 378.00	$ 378.00
Acquisitions, net	$ (15.00)	$ 671.00	$ 246.00	$ (1,801.00)	$ 671.00	$ 671.00
Purchases of investments				$ (1,901.00)		
Other investing charges	$ 105.00	$ (192.00)	$ (79.00)	$ (122.00)	$ (58.00)	$ (58.00)
Net cash used for investing activities	$ (12,298.00)	$ (11,125.00)	$ (10,675.00)	$ (13,987.00)	$ (9,060.00)	$ (9,060.00)
Cash Flows From Financing Activities						
Short-term borrowing	$ 911.00	$ (6,288.00)	$ 1,235.00	$ (1,673.00)	$ 4,148.00	$ 4,148.00
Long-term debt issued	$ 7,072.00	$ 5,174.00	$ 39.00	$ 137.00	$ 7,476.00	$ 7,476.00
Long-term debt repayment	$ (4,968.00)	$ (3,904.00)	$ (4,432.00)	$ (2,055.00)	$ (16,120.00)	$ (16,120.00)
Repurchases of treasury stock	$ (6,683.00)	$ (1,015.00)	$ (4,112.00)	$ (8,298.00)	$ (8,296.00)	$ (8,296.00)
Cash dividends paid	$ (6,139.00)	$ (6,185.00)	$ (6,294.00)	$ (6,216.00)	$ (6,124.00)	$ (6,124.00)
Other financing activities	$ (1,210.00)	$ (2,853.00)	$ (2,558.00)	$ (824.00)	$ (959.00)	$ (959.00)
Net cash provided by (used for) financing activities	$ (11,017.00)	$ (15,071.00)	$ (16,122.00)	$ (18,929.00)	$ (19,875.00)	$ (19,875.00)
Effect of exchange rate changes	$ (442.00)	$ (514.00)	$ (1,022.00)	$ (452.00)	$ 487.00	$ 487.00
Net change in cash	$ (500.00)	$ 1,854.00	$ (430.00)	$ (1,838.00)	$ (111.00)	$ (111.00)
Cash at beginning of period	$ 7,781.00	$ 7,281.00	$ 9,135.00	$ 8,705.00	$ 6,867.00	$ 6,867.00
Cash at end of period	$ 7,281.00	$ 9,135.00	$ 8,705.00	$ 6,867.00	$ 6,756.00	$ 6,756.00
Free Cash Flow						
Operating cash flow	$ 23,257.00	$ 28,564.00	$ 27,389.00	$ 31,530.00	$ 28,337.00	$ 28,337.00
Capital expenditure	$ (13,115.00)	$ (12,174.00)	$ (11,477.00)	$ (10,619.00)	$ (10,051.00)	$ (10,051.00)
Free cash flow	$ 10,142.00	$ 16,390.00	$ 15,912.00	$ 20,911.00	$ 18,286.00	$ 18,286.00
Supplemental schedule of cash flow data						
Cash paid for income taxes	$ 8,641.00	$ 8,169.00	$ 8,111.00	$ 4,507.00	$ 6,179.00	$ 6,179.00
Cash paid for interest	$ 2,362.00	$ 2,433.00	$ 2,540.00	$ 2,351.00	$ 2,450.00	$ 2,450.00

Financial Statements – Amazon

AMAZON.COM INC (AMZ) CashFlowFlag INCOME STATEMENT						
Fiscal year ends in December. USD in millions except per share data.	2013-12	2014-12	2015-12	2016-12	2017-12	TTM
Revenue	74452	88988	107006	135987	177866	193194
Cost of revenue	62766	73518	85061	105884	137183	148573
Gross profit	11686	15470	21945	30103	40683	44621
Operating expenses						
Sales, General and administrative	4262	5884	7001	9665	13743	14794
Other operating expenses	6679	9408	12711	16252	22834	24799
Total operating expenses	10941	15292	19712	25917	36577	39593
Operating income	745	178	2233	4186	4106	5028
Interest Expense	141	210	459	484	848	1039
Other income (expense)	-98	-79	-206	190	548	780
Income before income taxes	506	-111	1568	3892	3806	4769
Provision for income taxes	161	167	950	1425	769	827
Other income	-71	37	-22	-96	-4	-4
Net income from continuing operations	274	-241	596	2371	3033	3938
Net income	274	-241	596	2371	3033	3938
Net income available to common shareholders	274	-241	596	2371	3033	3938
Earnings per share						
Basic	0.6	-0.52	1.28	5.01	6.32	8.16
Diluted	0.59	-0.52	1.25	4.9	6.15	7.94
Weighted average shares outstanding						
Basic	457	462	467	474	480	482
Diluted	465	462	477	484	493	495
EBITDA	3900	4845	8308	12492	16132	18522

AMAZON.COM INC (AMZ) CashFlowFlag BALANCE SHEET					
Fiscal year ends in December. USD in millions except per share data.	**2013-12**	**2014-12**	**2015-12**	**2016-12**	**2017-12**
Assets					
Current assets					
Cash					
Cash and cash equivalents	8658	14557	15890	19334	20522
Short-term investments	3789	2859	3918	6647	10464
Total cash	12447	17416	19808	25981	30986
Receivables	4767	5612	6423	8339	13164
Inventories	7411	8299	10243	11461	16047
Total current assets	24625	31327	36474	45781	60197
Non-current assets					
Property, plant and equipment					
Land	4584	7150	9770	13998	23718
Fixtures and equipment	9274	14213	18417	25989	38387
Other properties	951	1367	1866	2454	6468
Property and equipment, at cost	14809	22730	30053	42441	68573
Accumulated Depreciation	-3860	-5763	-8215	-13327	-19707
Property, plant and equipment, net	10949	16967	21838	29114	48866
Goodwill	2655	3319	3759	3784	13350
Intangible assets	645	764	762	854	3371
Other long-term assets	1285	2128	2611	3869	5526
Total non-current assets	15534	23178	28970	37621	71113
Total assets	40159	54505	65444	83402	131310
Liabilities and stockholders' equity					
Liabilities					
Current liabilities					
Accounts payable	15133	16459	20397	25309	34616
Accrued liabilities	6688	9807	10384	13739	18170
Deferred revenues	1159	1823	3118	4768	5097
Total current liabilities	22980	28089	33899	43816	57883
Non-current liabilities					
Long-term debt	3191	8265	8235	7694	24743
Capital leases	1990	4224	5948	7519	13183
Deferred taxes liabilities	1028	1531	2016	1787	1994
Other long-term liabilities	1224	1655	1962	3301	5798
Total non-current liabilities	7433	15675	18161	20301	45718
Total liabilities	30413	43764	52060	64117	103601
Stockholders' equity					
Common stock	5	5	5	5	5
Additional paid-in capital	9573	11135	13394	17186	21389
Retained earnings	2190	1949	2545	4916	8636
Treasury stock	-1837	-1837	-1837	-1837	-1837
Accumulated other comprehensive income	-185	-511	-723	-985	-484
Total stockholders' equity	9746	10741	13384	19285	27709
Total liabilities and stockholders' equity	40159	54505	65444	83402	131310

AMAZON.COM INC (AMZ) Statement of CASH FLOW						
Fiscal year ends in December. USD in millions except per share data.	**2013-12**	**2014-12**	**2015-12**	**2016-12**	**2017-12**	**TTM**
Cash Flows From Operating Activities						
Depreciation & amortization	3253	4746	6281	8116	11478	12714
Investments losses (gains)	167	59	250	-20	-292	-436
Deferred income taxes	-156	-316	81	-246	-29	134
Stock based compensation	1134	1497	2119	2975	4215	4605
Accounts receivable	-846	-1039	-1755	-3367	-4786	-4722
Inventory	-1410	-1193	-2187	-1426	-3583	-2310
Accounts payable	1888	1759	4294	5030	7175	3824
Accrued liabilities	736	706	913	1724	283	-538
Other working capital	399	741	1292	1955	738	837
Other non-cash items	310	-118	632	1702	3235	4154
Net cash provided by operating activities	5475	6842	11920	16443	18434	18262
Cash Flows From Investing Activities						
Investments in property, plant, and equipment	-3444	-4893	-4589	-6737	-11955	-12905
Property, plant, and equipment reductions					1897	1981
Acquisitions, net	-312	-979	-795	-116	-13972	-13940
Purchases of investments	-2826	-2542	-4091	-7756	-13777	-12893
Sales/Maturities of investments	2306	3349	3025	4733	9988	10755
Net cash used for investing activities	-4276	-5065	-6450	-9876	-27819	-27002
Cash Flows From Financing Activities						
Long-term debt issued	394	6359	353	621	16231	16335
Long-term debt repayment	-1011	-1933	-4235	-4361	-6371	-7751
Excess tax benefit from stock based compensation	78	6	119	829		
Net cash provided by (used for) financing activities	-539	4432	-3763	-2911	9860	8584
Effect of exchange rate changes	-86	-310	-374	-212	713	737
Net change in cash	574	5899	1333	3444	1188	581
Cash at beginning of period	8084	8658	14557	15890	19334	16301
Cash at end of period	8658	14557	15890	19334	20522	16882
Free Cash Flow						
Operating cash flow	5475	6842	11920	16443	18434	18262
Capital expenditure	-3444	-4893	-4589	-6737	-11955	-12905
Free cash flow	2031	1949	7331	9706	6479	5357
Supplemental schedule of cash flow data						
Cash paid for income taxes	169	177	273	412	957	1224
Cash paid for interest	97	91	478	496	647	993

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