Amazon will pump billions more into logistics in 2020 after record peak

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Amazon will invest billions of dollars more in logistics around the world this year after splashing out over $3 billion in 2019 to speed up deliveries which generated record results in the peak final quarter. The US e-commerce giant soundly beat analystsâ€™ expectations in the October â€“ December quarter, which included both the Black Friday and Christmas sales periods, as Prime membership numbers hit 150 million worldwide. In Q4, Amazonâ€™s net sales increased by 21% to $87.4 billion, operating profits went up by 2% to $3.9 billion and net profits improved by 8% to $3.3 billion. However, its fulfilment costs went up to $12.2 billion from $10 billion one year earlier and shipping costs soared by 43% to $12.9 billion as volumes grew. The company already said in December that it delivered about 3.5 billion packages last year, which was about half of its total global orders. At a regional level, North America sales soared by 22% to $53.7 billion but operating profits dropped 16% to $1.9 billion as logistics investments pushed up operating costs. International sales grew by 14% to $23.8 billion and the operating loss decreased slightly to $617 million. The high-margin AWS business again grew rapidly with sales up 34% to nearly $10 billion and operating profits up 19% at $2.6 billion. In 2019 as a whole, Amazonâ€™s net sales increased 20% to $280.5 billion, operating profits rose to $14.5 billion from $12.4 billion in 2018, and net profits grew to $11.6 billion from $10.1 billion in the previous year.

Source: https://www.cep-research.com/news/amazon-will-pump-billions-more-into-logistics-in-2020-after-record-peak