

E-Commerce

BUS 417

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Contents

Industry

Amazon

Shopify

Ebay

Conclusion

About the Industry

- E-commerce, refers to transactions conducted via the internet
- Every time individuals and companies are buying or selling products and services online they're engaging in ecommerce.
- The term e-commerce also encompasses other activities including online auctions, internet banking, payment gateways, and online ticketing.



A BRIEF HISTORY OF ECOMMERCE

c.1972



Students at Stanford and MIT arrange a cannabis sale over the ARPANET, the precursor of the internet.



1979

Michael Aldrich invents the first electronic shopping system which paves the way for the development of ecommerce.

1981

B2B

Thomson Holidays UK starts using Aldrich's "Teleputer" as the first B2B shopping system.

1982



The Boston Computer Exchange becomes one of the world's first ecommerce platforms.

1984

Gateshead SIS/Tesco becomes the first B2C shopping system.

B2C



1989

Ecommerce system Compumarket enables sellers to list items for sale and buyers to pay by credit card.



1991

The Electronic AppWrapper or the first app store appears.



1992

Book Stacks Unlimited starts selling books online in the US.



1994



One man sells a CD of Sting's Ten Summoner's Tales in what will become the world's first secure online purchase through an ecommerce platform.



1995

Amazon launches as a bookstore and eBay launches as AuctionWeb, an auction site.



1998



PayPal launches an online payment system which helps streamline worldwide ecommerce transactions.



1999

An online store Alibaba.com helps Chinese manufacturers and exporters enter the global marketplace.

2002



Retail companies like NetShops start selling products through separate domains rather than one unified store.

2000



Global ecommerce transactions surpass \$150 billion.

2005



Etsy launches as an online marketplace for handcrafted and vintage goods.



2006

Shopify enables businesses to create an online storefront with ease.



2009

BigCommerce online storefront platform becomes available.



2008

Magento launches as an online ecommerce storefront builder.



2014

US ecommerce and online retail sales reach \$294 billion.

2015

Amazon's sales amount to more than half of all ecommerce growth.

amazon

2017



Cyber Monday sales exceed \$6.5 billion, of which \$2 billion represent mobile sales.

2018

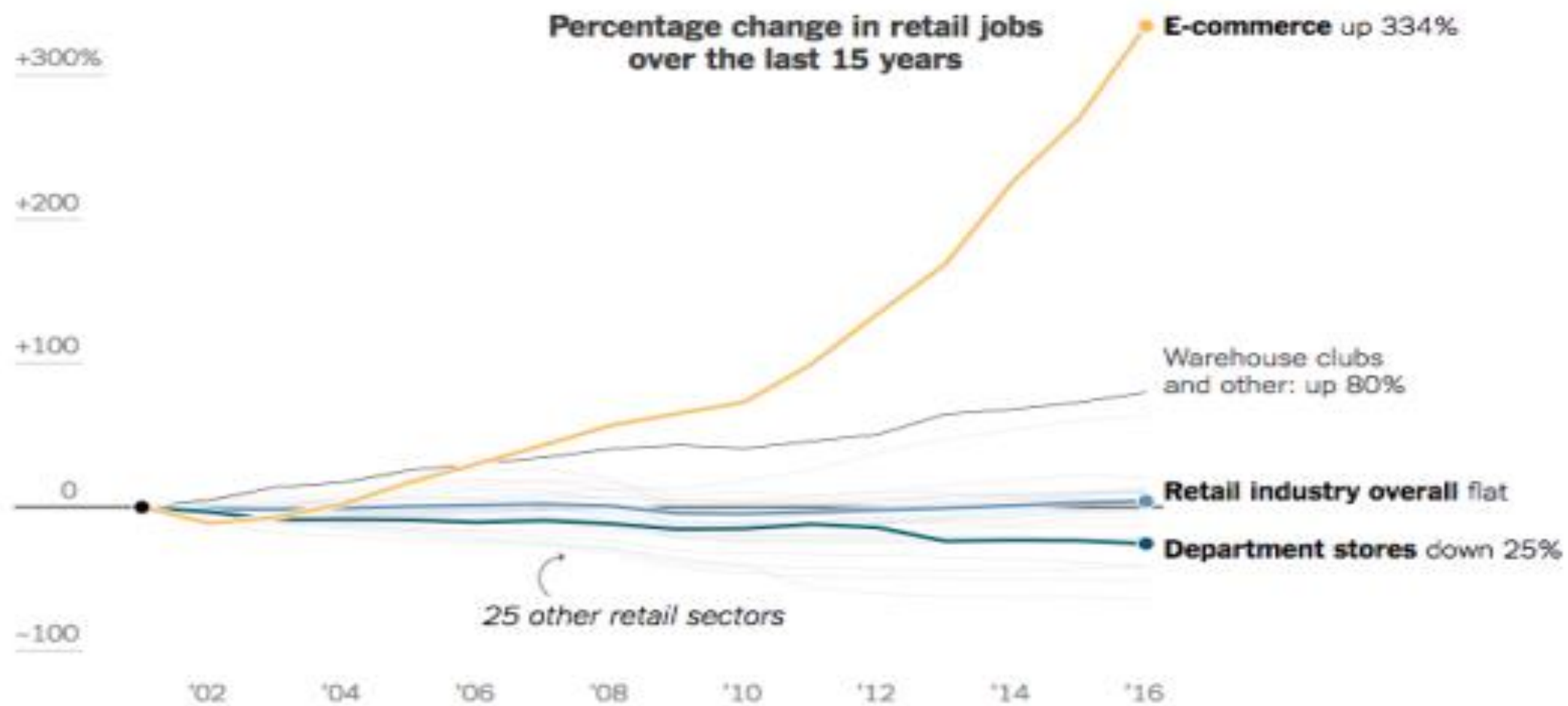


Global retail ecommerce sales reach \$2.8 trillion.

2021

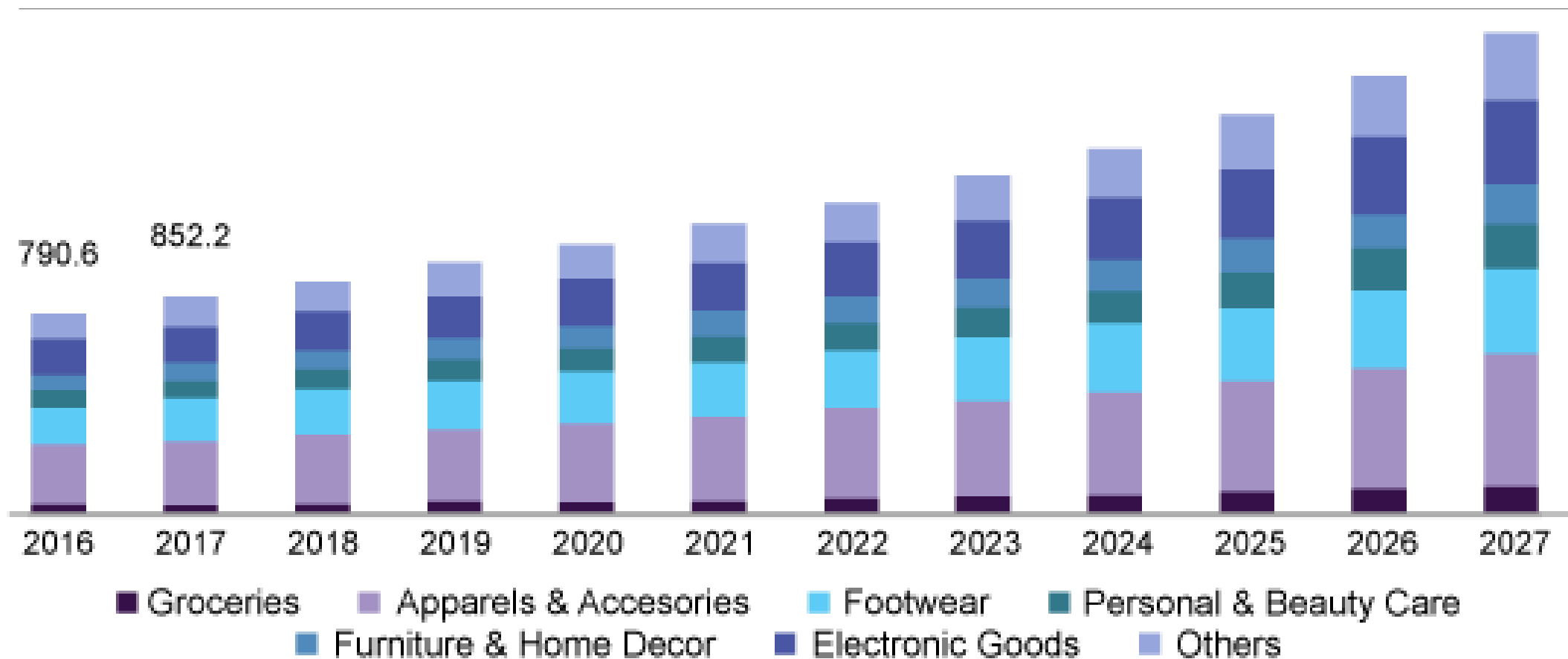


Retail ecommerce sales worldwide will likely surpass \$4.8 trillion.



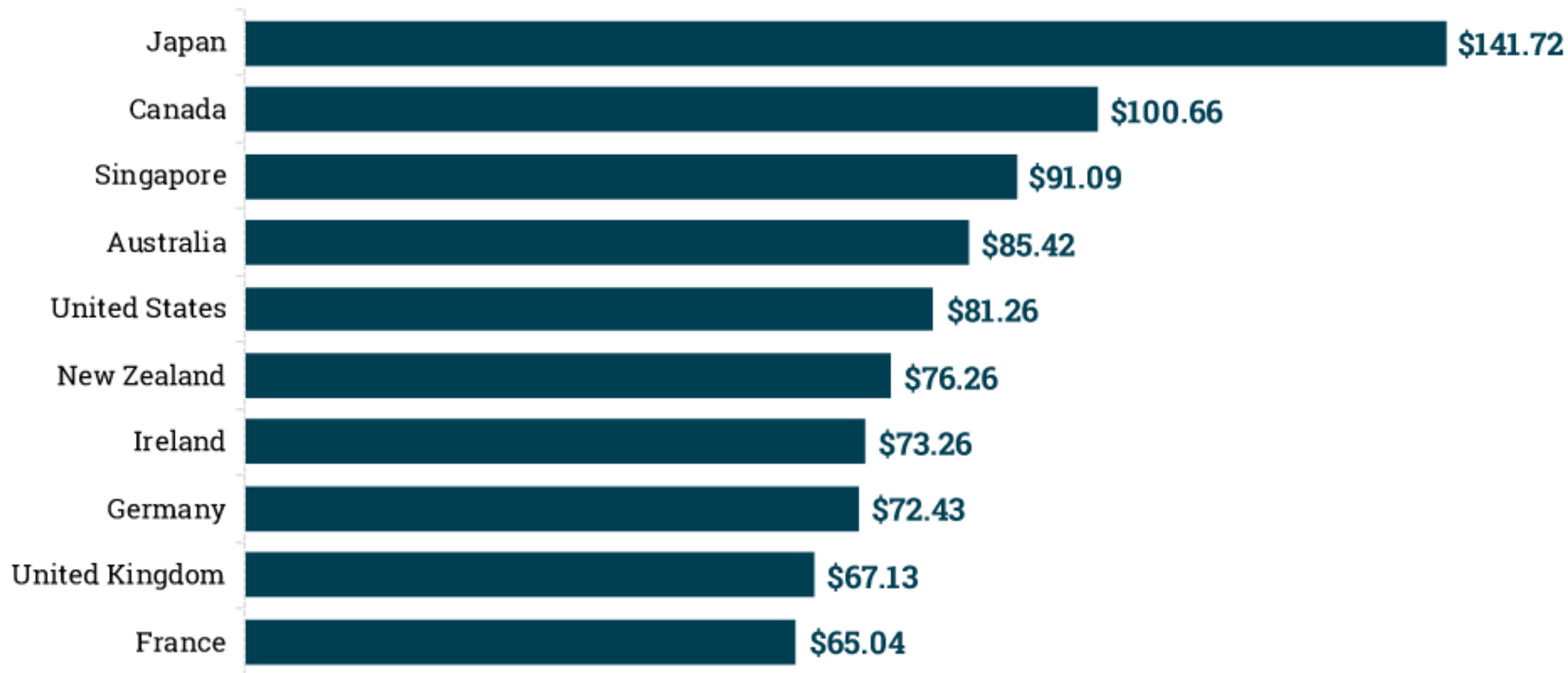
Source: Bureau of Labor Statistics

U.S. retail e-commerce market size, by product, 2016 - 2027 (USD Billion)



Source: www.grandviewresearch.com

E-Commerce Average Order Value, By Country



Published on MarketingCharts.com in July 2019 | Data Source: Shopify

Based on a subsection of global sales data on Shopify, from April 2018 to April 2019. Figures in USD.

Merchant countries: Germany, France, United Kingdom, Ireland, United States, Australia, New Zealand, Canada, Japan, Singapore.

Types of E-commerce

1. Business-to-Business (B2B)
2. Business-to-Consumer (B2C)
3. Consumer-to-Consumer (C2C)



Business-to-Business(B2B)

The exchange of products, services or information between businesses, rather than between businesses and consumers.

B2B sales have made up 23.6% of all E-Commerce U.S. sales in February, 2020.

Examples: Alibaba, Shopify

Top Examples of B2B Ecommerce Companies



Business-to-Business(B2B)

Pros:

- High Revenue
- Less labour needed as there are no physical retail stores
- Less physical space needed (ex. Store front)
- Ability to sell in bulk to businesses - cheaper shipping

Cons:

- Barriers to entry are high (Lots of competition)
- E-commerce Regulations (We will look at later)
- Customs/Duties

Business-to-Consumer (B2C)

The sale of a product or service in which the end-user is the customer

B2C sales have made up 33.7% of all E-Commerce U.S. sales in February, 2020.

Example: Amazon, Shopify, and Wayfair



Business-to-Consumer (B2C)

Pros:

- High Revenue
- The entire market is transitioning to purchasing everything online.
- Less labour needed compared to a physical store

Cons:

- High barriers to entry
- E-commerce Regulations
- Comparatively expensive shipping

Consumer-to-Consumer(C2C)

E-commerce C2C sales is selling and purchasing goods or services between two consumers using an third party platform.

Examples: Ebay, Craigslist, Etsy, AirBnb.

The eBay logo, featuring the word "ebay" in a multi-colored, lowercase sans-serif font.The PayPal logo, featuring a blue "P" icon followed by the word "PayPal" in a blue sans-serif font.The Rover logo, featuring a green paw print icon followed by the word "Rover" in a green, stylized font.The Etsy logo, featuring the word "Etsy" in a red, stylized font.

Consumer-to-Consumer(C2C)

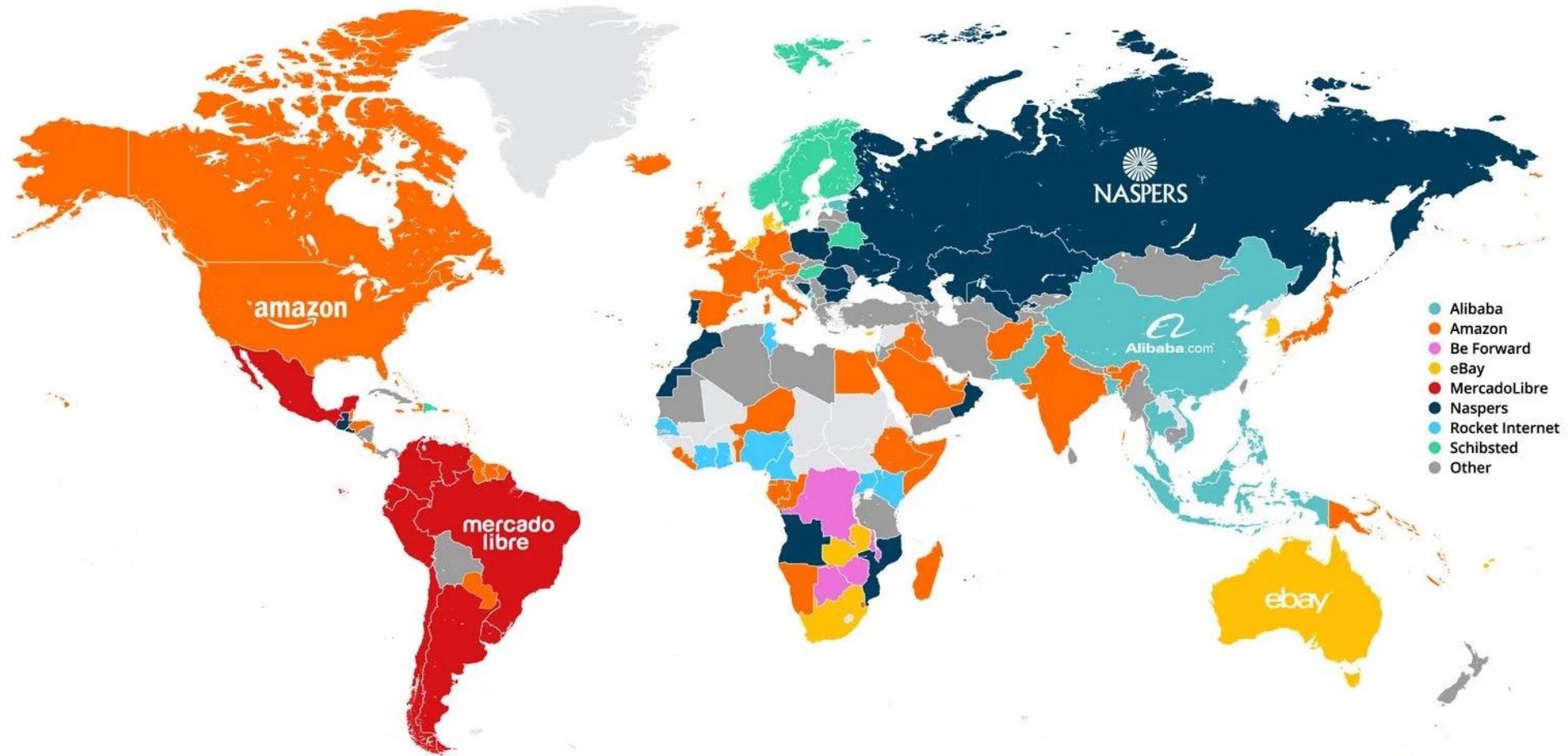
Pros:

- Low operating costs
- Low start-up costs
- Little or no initial labour required

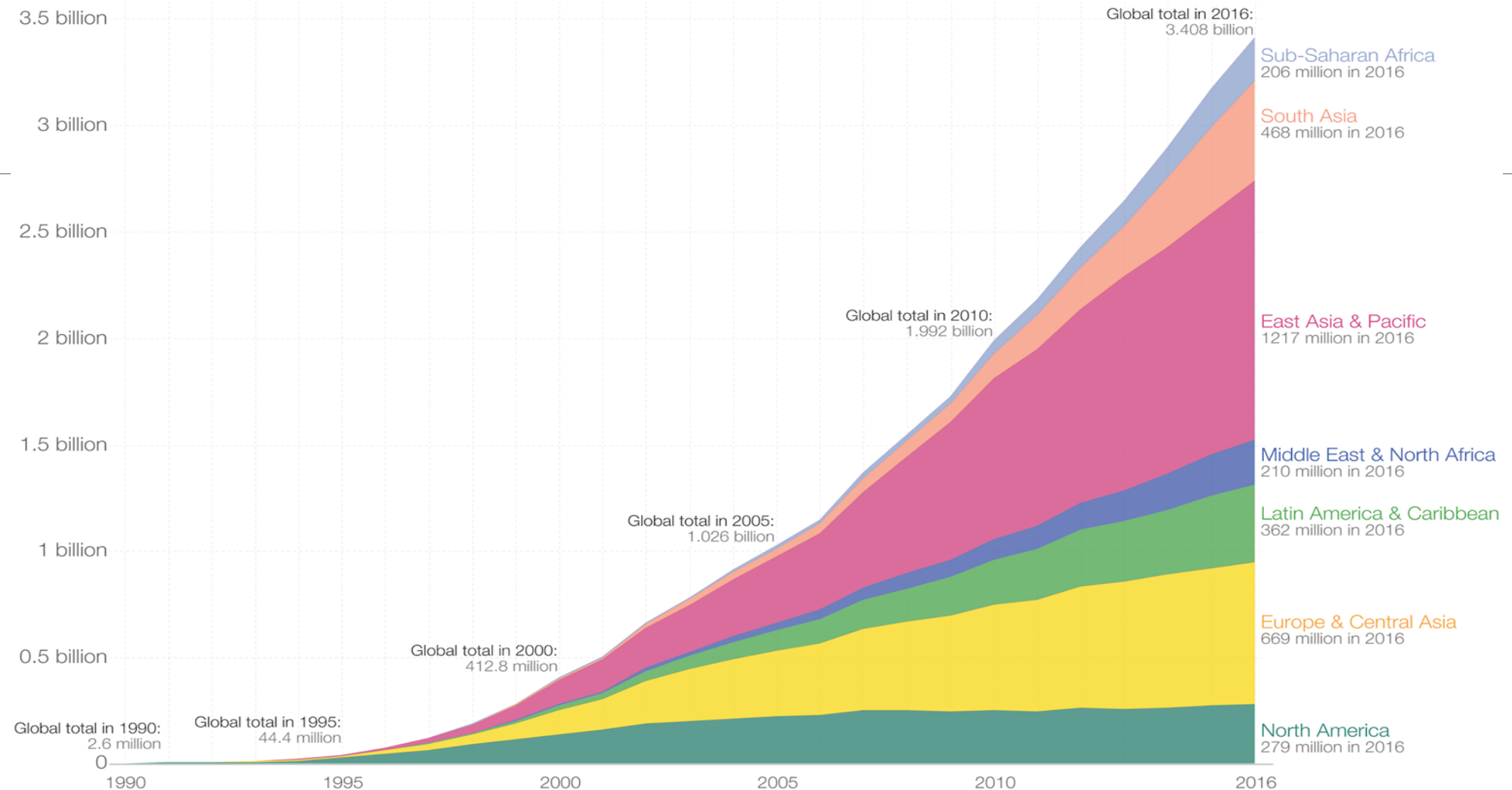
Cons:

- Low Revenue
- Highly competitive

Biggest E-commerce company – Country wise



Internet users by world region since 1990

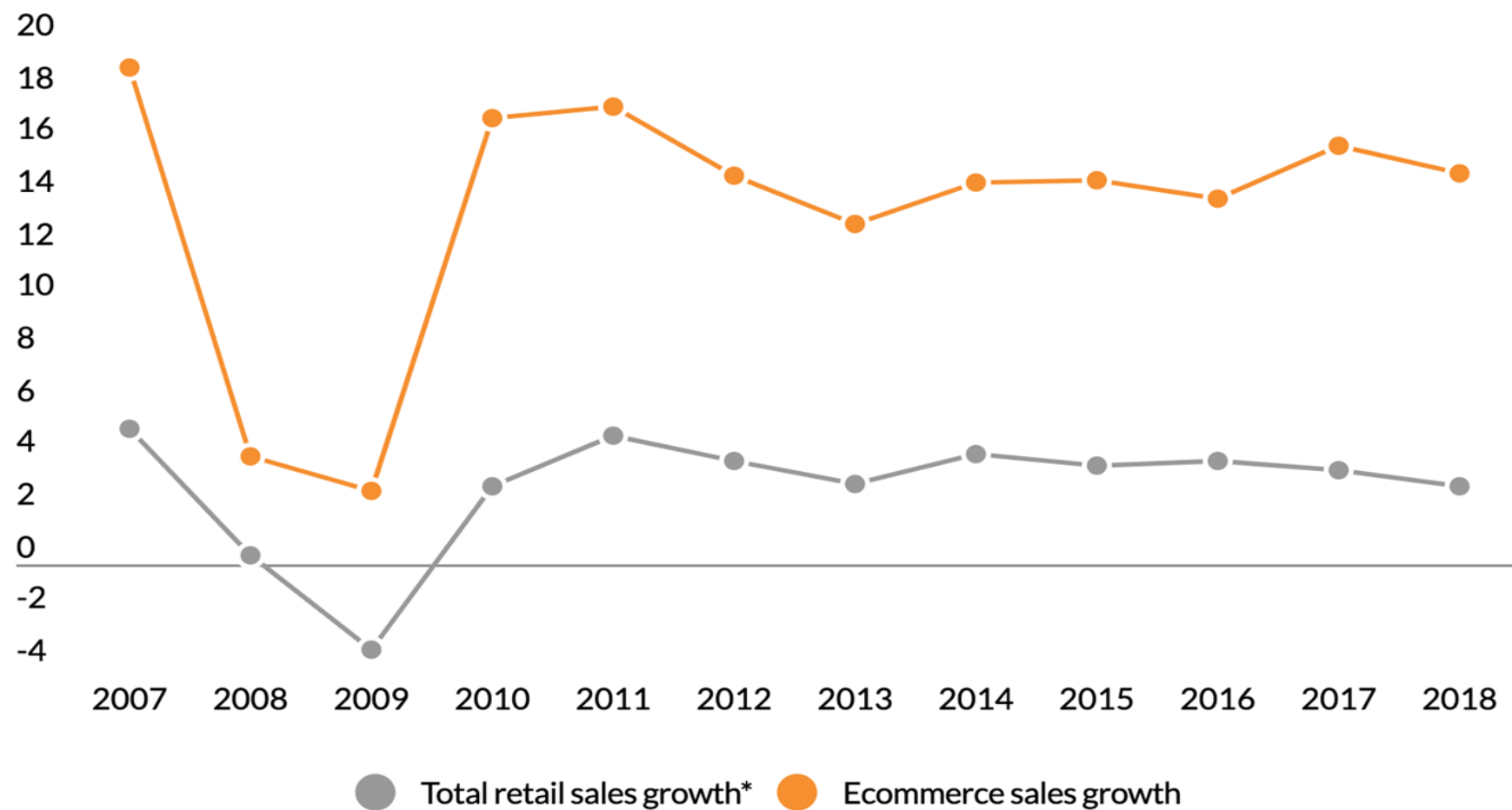


Data source: Based on data from the World Bank and data from the International Telecommunications Union. Internet users are people with access to the worldwide network.

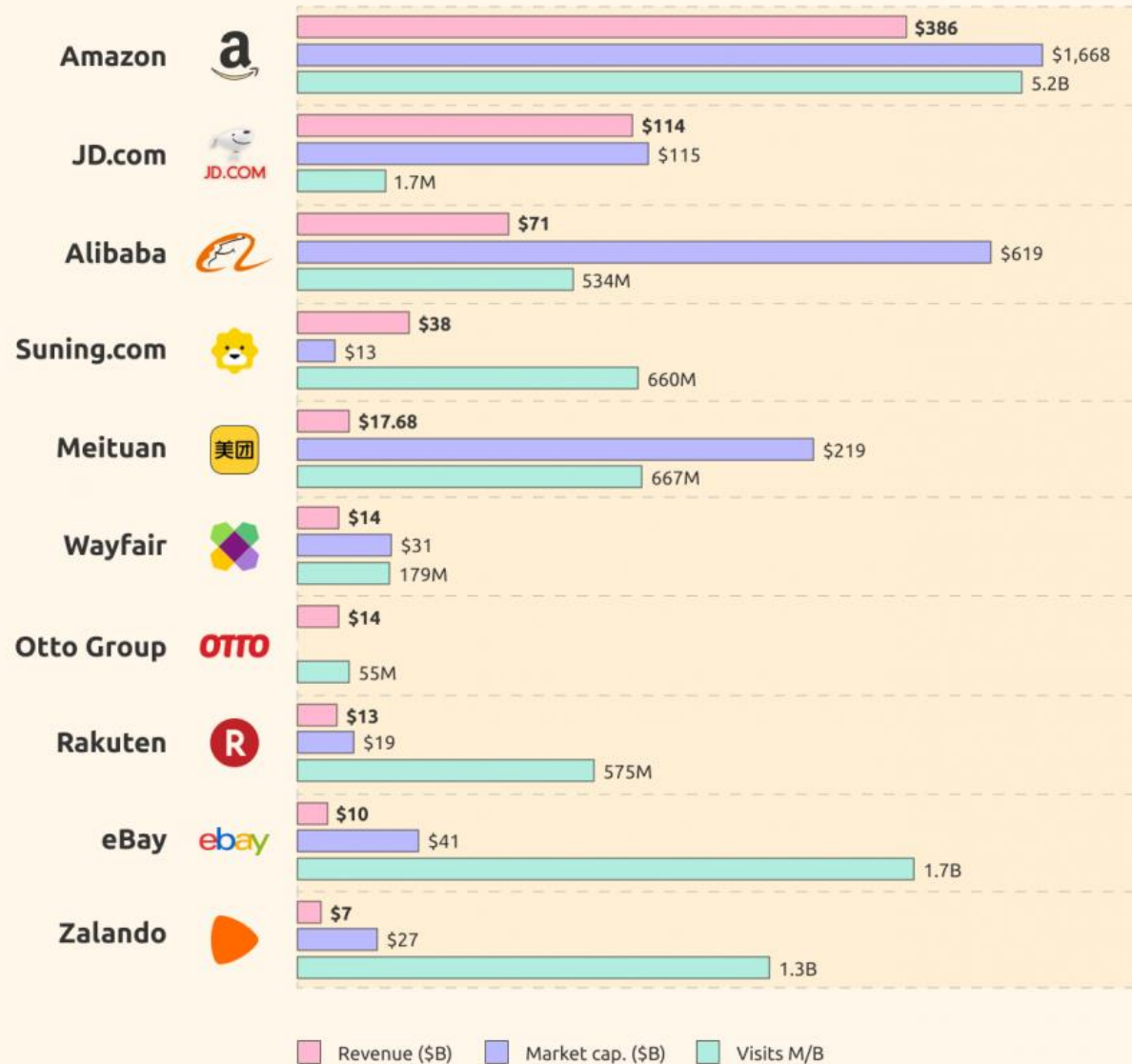
The interactive data visualization is available at [OurWorldinData.org](https://ourworldindata.org). There you find the raw data and more visualizations on this topic.

Licensed under [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) by the author Max Roser.

Comparing growth: U.S. retail sales* vs. ecommerce

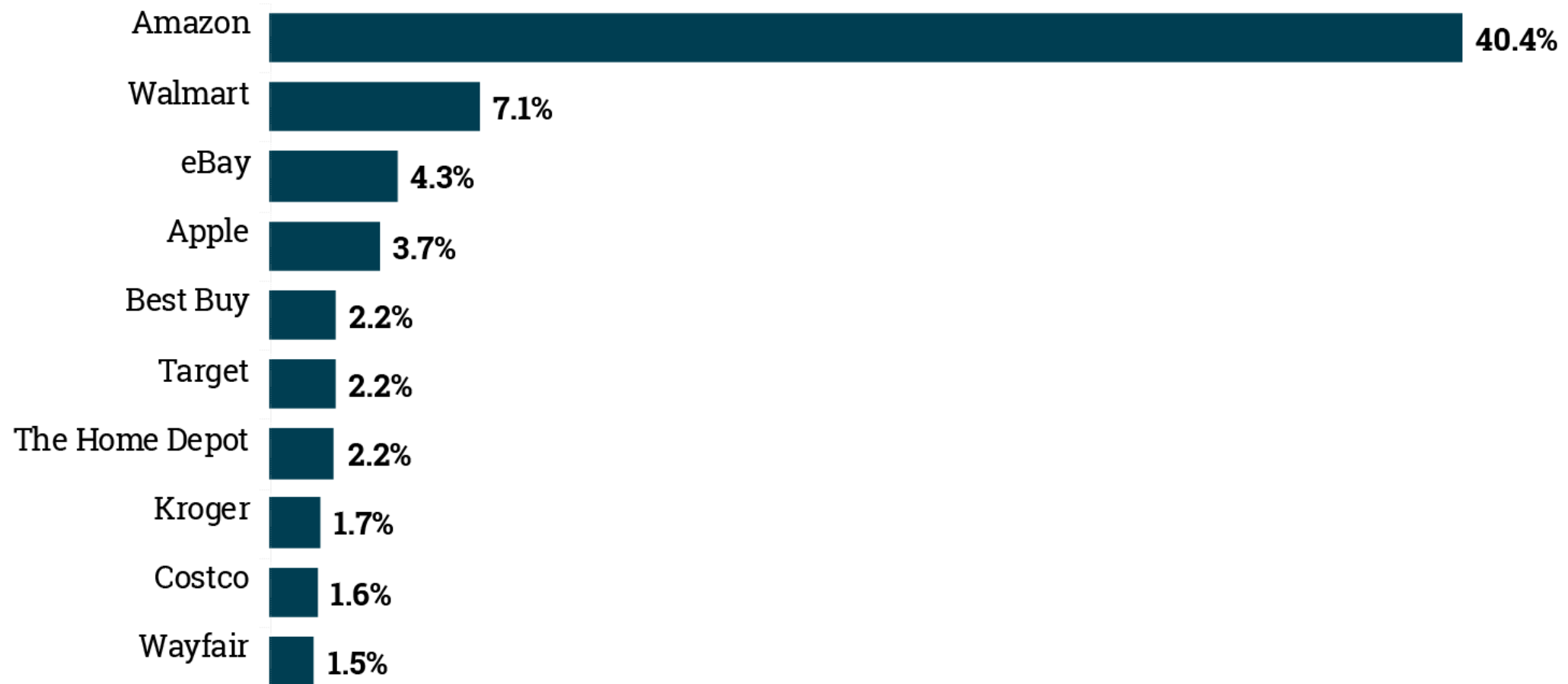


Top 10 ECommerce Companies Ranked by Revenue (USD\$ Billions)



Top 10 E-Commerce Retailers in the US (2021)

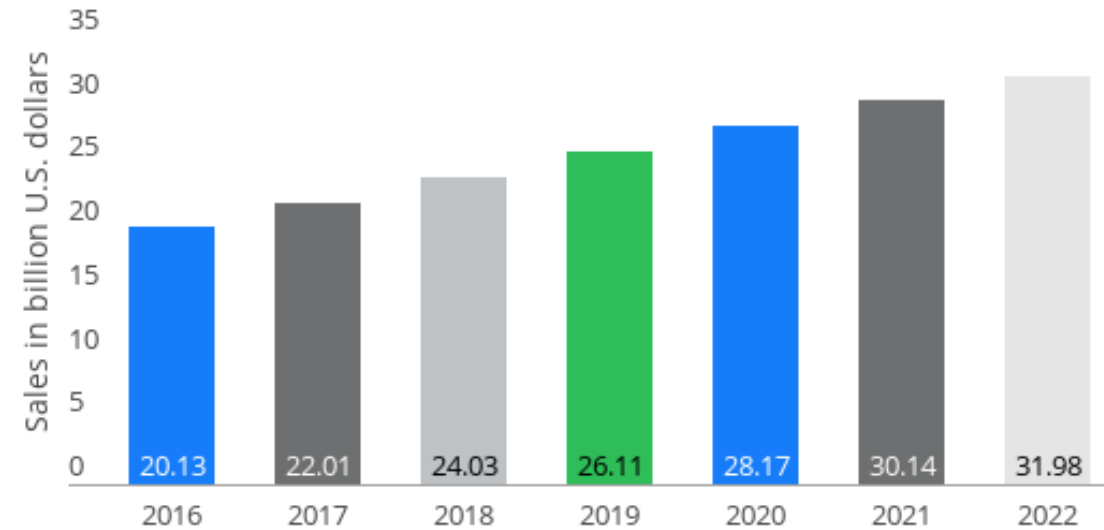
by % share of total e-commerce sales



Published on MarketingCharts.com in May 2021 | Data Source: eMarketer

Based on gross value of products and services sold / Excludes travel and event tickets

Retail E-commerce Revenue in Canada From 2016 to 2022



Source: Statista, 2018



www.SaleCycle.com

Competitive Landscape

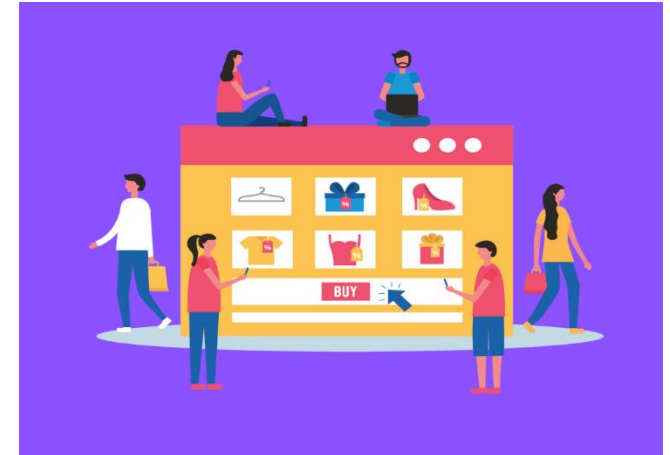
- **High competition**

- Majority of sales is coming from top 4 players
- Walmart alone is expected to account for 5% of whole retail industry

- **Barrier to entry is low**

- Therefore many companies with small share
- Majority stake in top companies

- **Product differentiation is generally low**



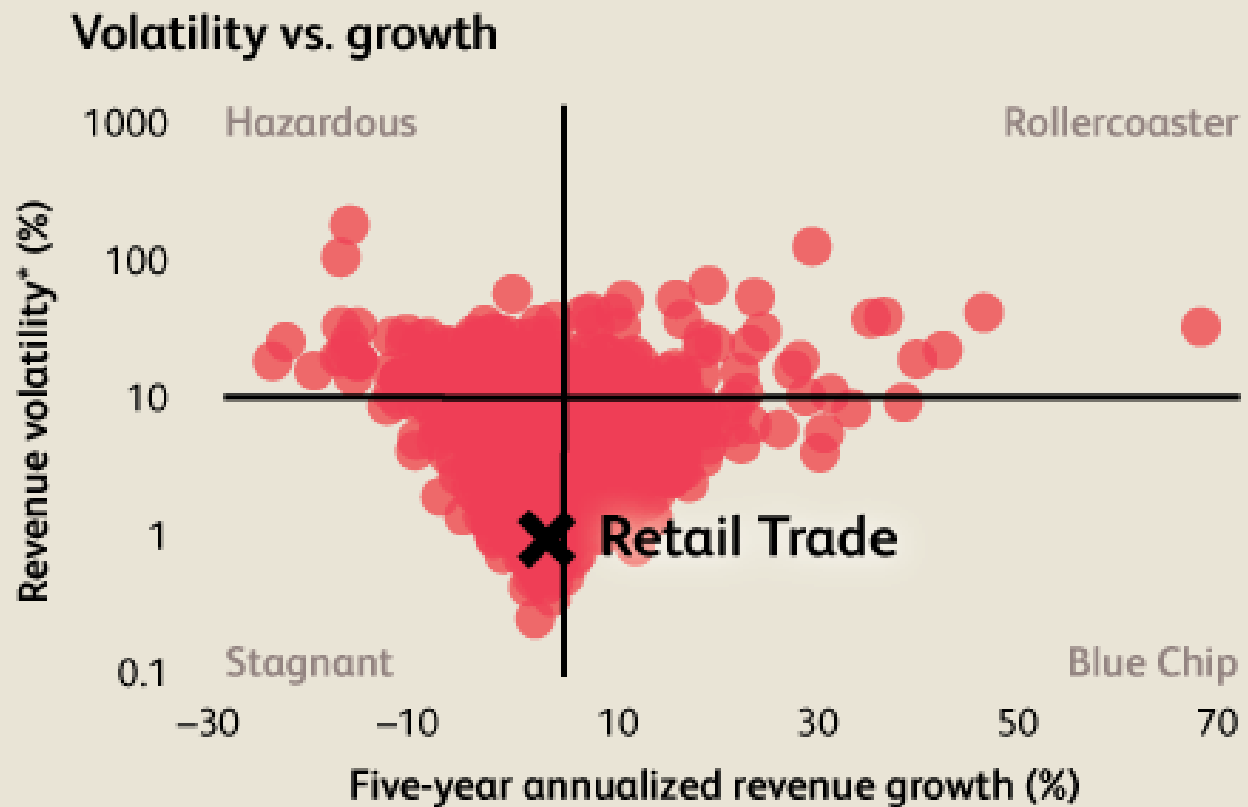
Barriers to Entry checklist

Competition	High
Concentration	Low
Life Cycle Stage	Mature
Capital Intensity	Low
Technology Change	Medium
Regulation & Policy	Medium
Sector Assistance	None

SOURCE: WWW.IBISWORLD.COM

A higher level of revenue volatility implies greater industry risk. Volatility can negatively affect long-term strategic decisions, such as the time frame for capital investment.

When a firm makes poor investment decisions it may face underutilized capacity if demand suddenly falls, or capacity constraints if it rises quickly.



ECOMMERCE SPEND BY CATEGORY

TOTAL AMOUNT SPENT IN CONSUMER ECOMMERCE CATEGORIES IN 2019, IN U.S. DOLLARS



CANADA

FASHION
& BEAUTY



\$6.81
BILLION

ELECTRONICS &
PHYSICAL MEDIA



\$7.60
BILLION

FOOD &
PERSONAL CARE



\$2.21
BILLION

FURNITURE &
APPLIANCES



\$3.73
BILLION

TOYS, DIY
& HOBBIES



\$5.08
BILLION

TRAVEL (INCLUDING
ACCOMMODATION)*



\$23.48
BILLION

DIGITAL
MUSIC



\$300.0
MILLION

VIDEO
GAMES



\$824.0
MILLION

Current performance in Canada

- From 2013-2018, industry's revenue increased at an annualized rate of 20.5% to \$8.0 billion, including a 17.5% growth in 2018 alone
- Online sales accounted for 1.5% of retail sales in 2013, which represents a marginal increase from 1.3% in 2003
- Online sales accounting for an estimated 2.7% of total retail sales in 2018

Revenue Growth

Year	Revenue \$ million	Growth %
2004	1,646.5	0.0
2005	2,102.9	27.7
2006	2,169.8	3.2
2007	2,120.5	-2.3
2008	2,050.3	-3.3
2009	2,021.9	-1.4
2010	2,182.1	7.9
2011	2,566.0	17.6
2012	2,774.6	8.1
2013	3,167.7	14.2
2014	4,061.1	28.2
2015	4,934.2	21.5
2016	5,616.8	13.8
2017	6,841.9	21.8
2018	8,039.4	17.5

TOP DEVICES USED FOR MAKING ONLINE PURCHASES 2016



CAN\$47.9B
Personal computer
purchases



CAN\$9.2B
Tablet
purchases



CAN\$9.9B
Mobile purchases

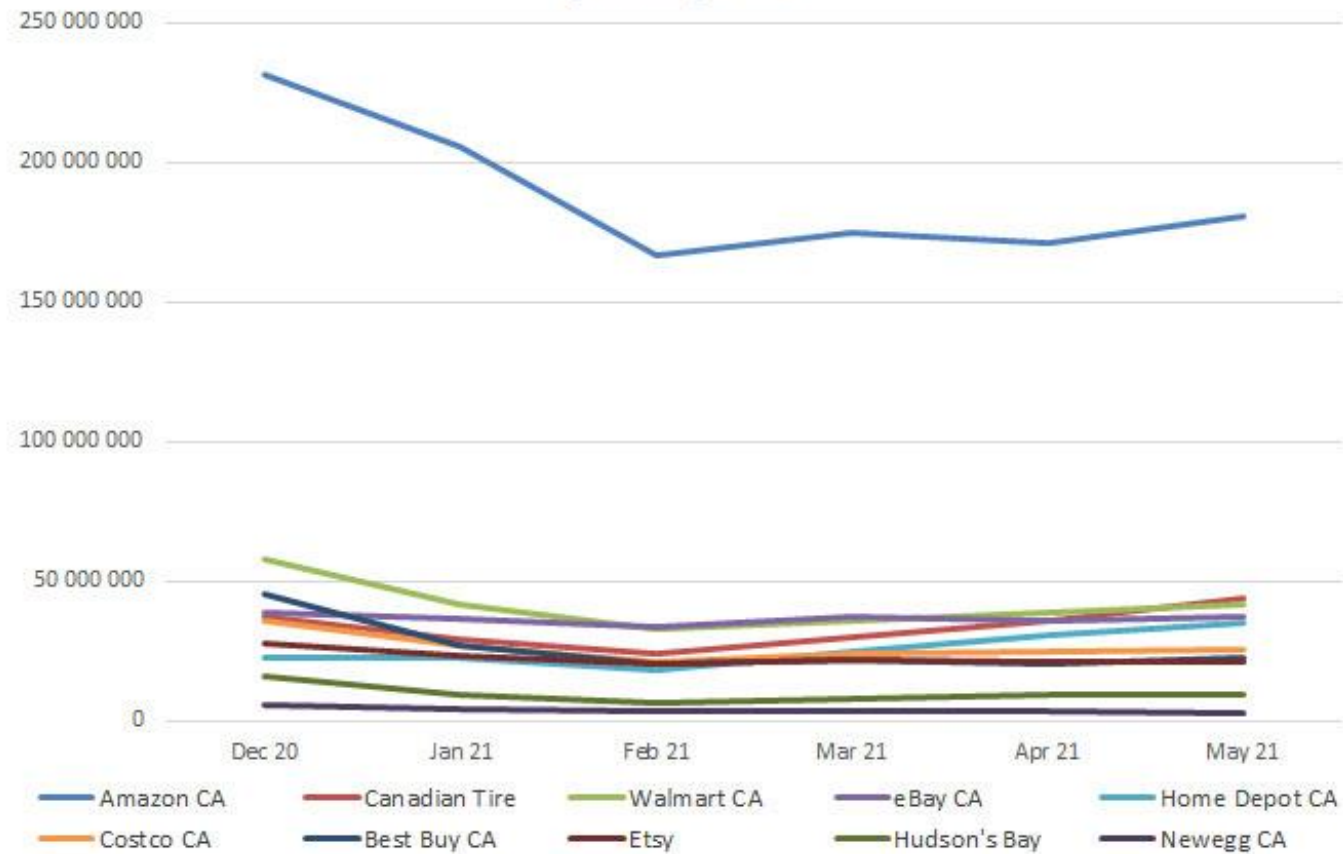
▶ M-commerce accounted for 26% of all Internet retail sales in 2016, double the 13% share of 2012, and is projected to account for 34% by 2021.

▶ 87% of Canadian households possessed a personal computer in 2016, while 59% of Canadian households possessed a laptop.

▶ 73% of Canadian households owned a smartphone in 2016, while 44% owned a tablet.

Top 10 e-commerce sites - Canada 2021

by monthly traffic

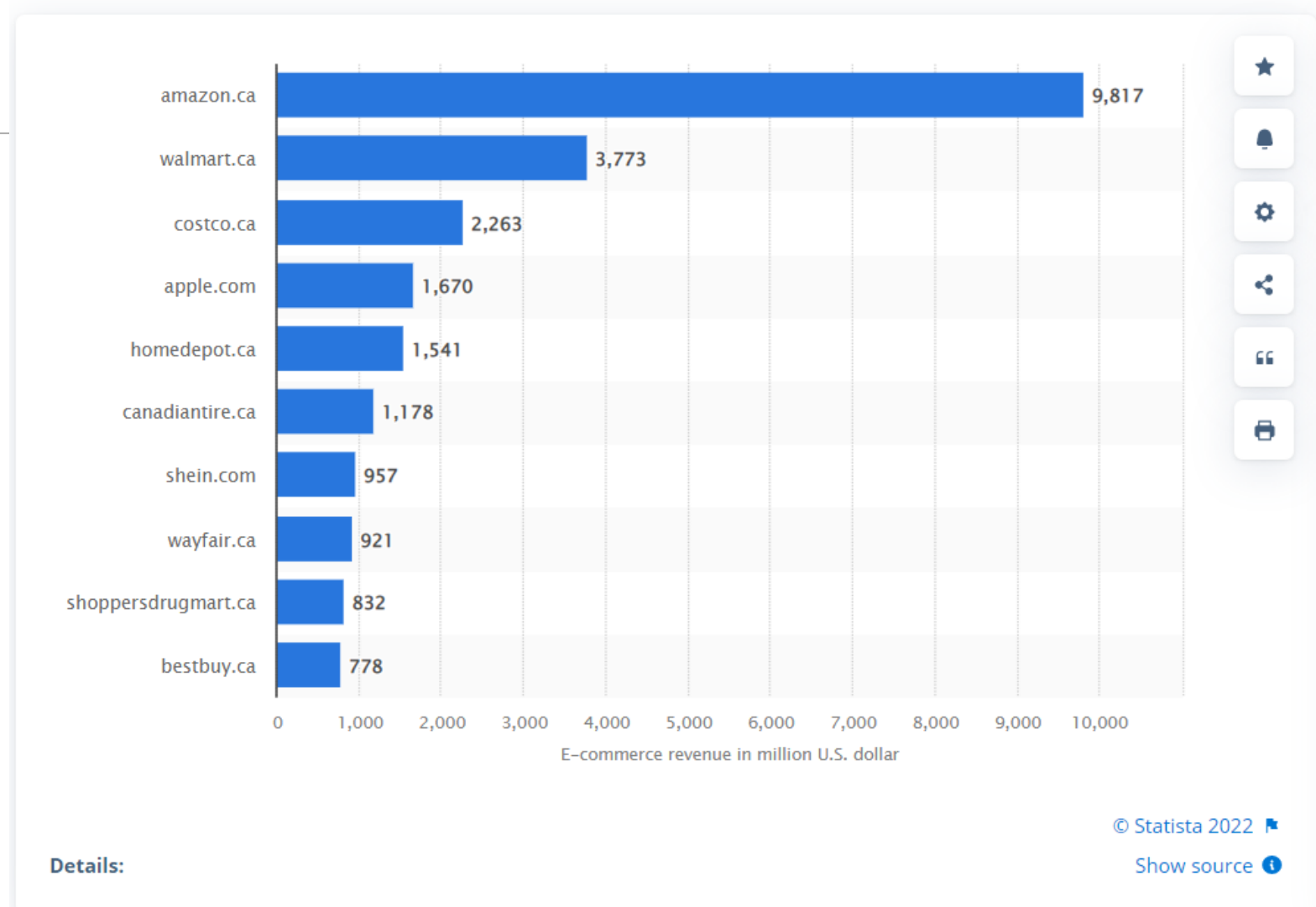


Source: SimilarWeb, June 2021

DISFOLD

Top online stores in Canada in 2021, by e-commerce net sales

(in million U.S. dollar)



High Online Engagement

Canadians visit more pages on a monthly basis than their American counterparts (101 vs. 97)



Loves to Buy Via Mobile



67%

Canadian Smartphone owners have purchased a product via mobile device



U.S. owners compare at 64%



VS.



E-Commerce Market Nascent But Growing



By 2018, online spending will reach 10% of total retail spending

Lags Slightly Behind U.S. In Online Spending



Average Canadian spends \$1,130 online annually



Average American spends \$1,483

Internet users making online purchases



Canada



U.S.

Online percentage of total retail shopping remains lower in Canada than the United States



Canadians Often Shop
Cross-Border to Fulfill Needs

25%

of online
spending
occurs through

international
websites



Price conscious consumers in Canada
favor Comparison Shopping
Engines (CSEs) seeking
cheapest channels



PriceGrabber.com

Canadian B2B and B2C Consumers
are Used to Paying Additional Charges

- + GOODS AND SERVICES
- + PROVINCIAL SALES TAX
- + HARMONIZED SALES TAX
- + SHIPPING
- + CONVERSION
- + DUTIES
- + BROKERAGE FEES
- + CUSTOMS CLEARANCE
- + DISBURSEMENT FEES

81% rely on search engines to
compare prices



27% check the U.S. and Canadian
websites to find the lowest prices

B2B Sales Stronger Than B2C Sales in **Canada**

Canadian

B2B

e-commerce
market was



the level of
B2C
e-commerce
in 2012

This mirrors the



B2B - B2C rate
in the **U.S.**

Canada E-Retailers Present in Canada

Overshadowed by U.S. Retailers

CHANNELS

kijiji

Well.ca

SHOP • CA™

But

amazon.com

ebay

Shipping Costs Remain Prohibitive

A typical **Canadian** e-commerce shipment costs

3.6x  more

than in the **U.S.**

Though

Shipping Options Through International Couriers Have Still Proliferated



Retailers have introduced free shipping, and have seen a surge in sales

Regulation & Policy in Canada

PIPEDA - Personal Information Protection and Electronic Documents Act

Businesses must have consent to collect, use, or disclose personal information.

You must protect the information against unauthorized access, theft, copying or alteration.



Regulation & Policy in Canada

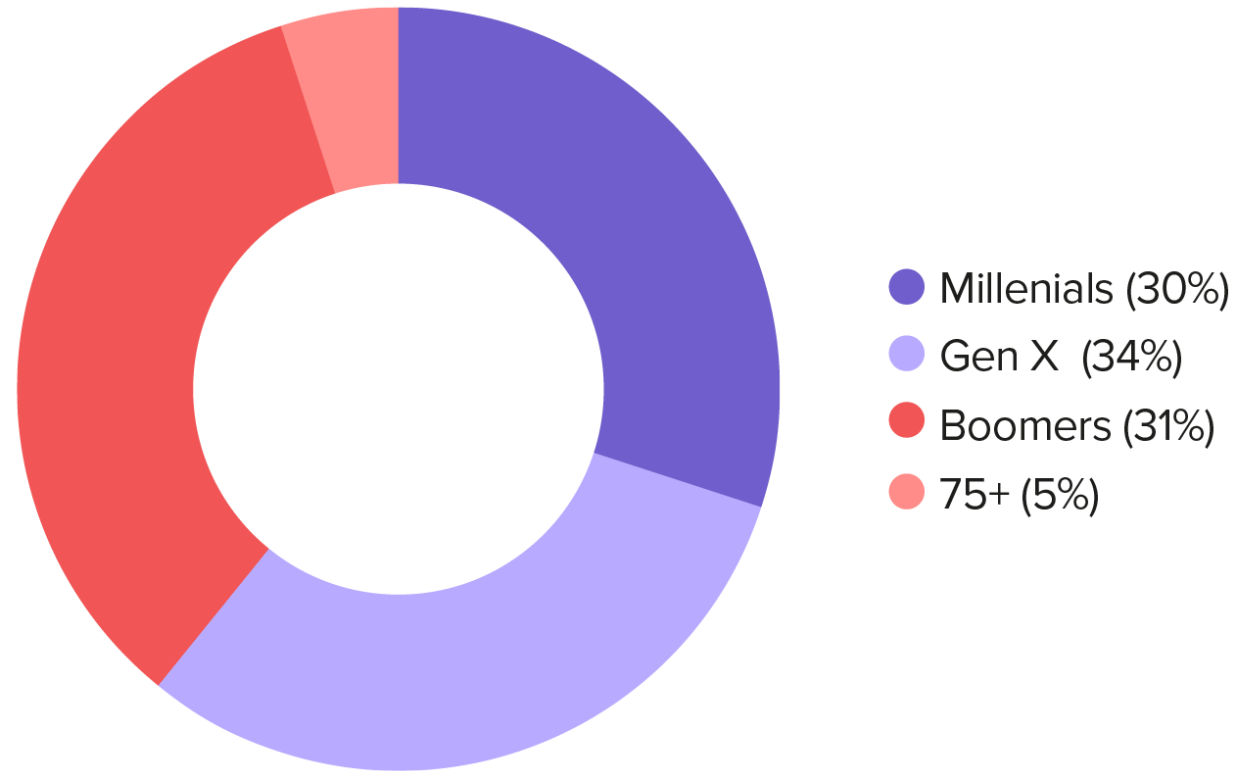
Canada's anti-spam law (CASL)

Businesses cannot: send electronic messages (emails, social media messages, or cell phone messages) without customer consent

All messages must have an unsubscribe function



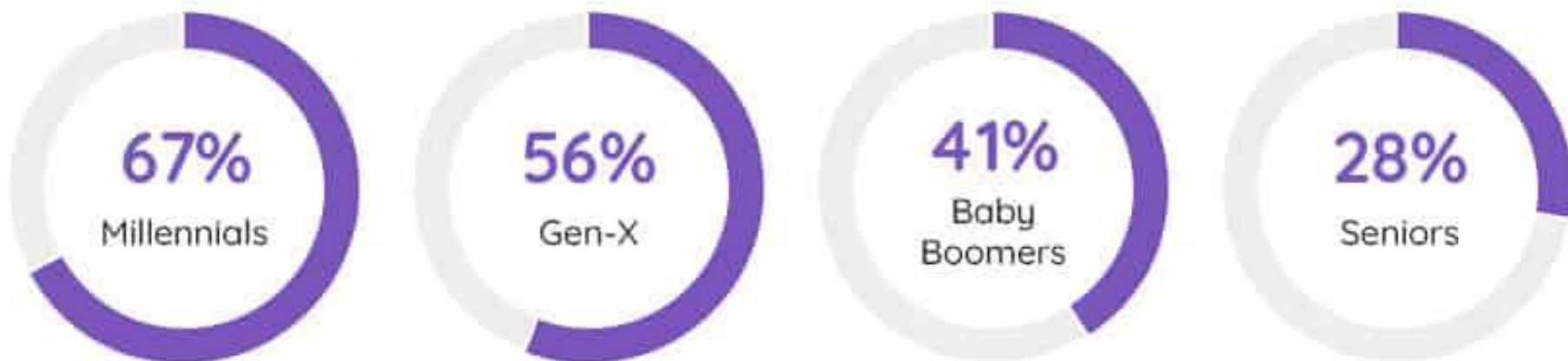
Age Distribution of Online Shoppers [%]



Source: Verto Analytics, 2018

Percentage of Online Shoppers in the US

By Age Group



Source: Statista.com

Different age groups

- **Generation Z**

- People born after 1997
- They have a major influence on the parents
- Possesses the technological proficiency to browse for products online



Different age groups

- **Millennials (Generation Y)**

- Age from roughly 25 to 39 years old (born after 1981)
- A lower disposable income
- Optimistic about their future economic status -Lower levels of traditional brand loyalty
- Like to compare products and prices



Different age groups

- **Generation X**

- Age from roughly 40 to 54 years old (born after 1965)
- A significant majority grew up without home computers
- Can afford higher-priced goods
- Often busy with work or family
- Attracted by the convenience of e-commerce and the ability to ship directly to their homes



Different age groups

- **Boomers**

- Age from roughly 55 to 74 years old (born after 1946)
- Generate the largest amount of revenue
- Slowly but surely adapted to internet trends
- Favouring convenience over tradition
- Increased disposable income due to the emancipation of children



Different age groups

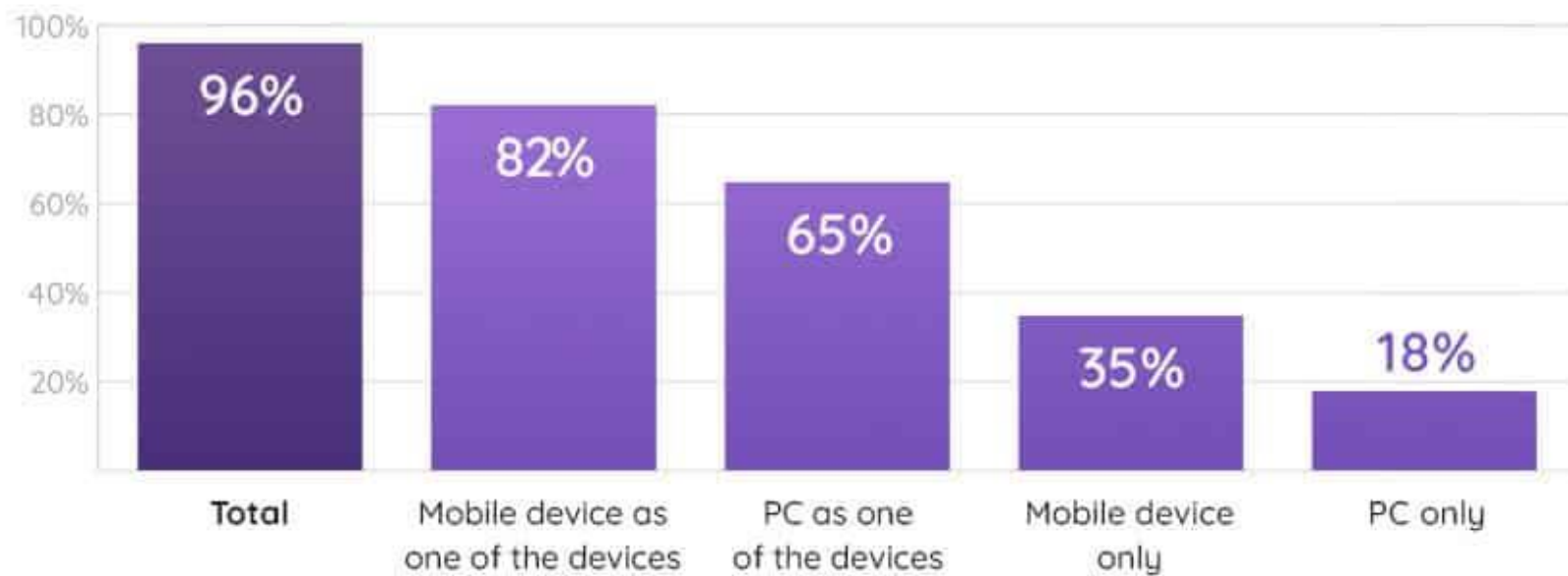
- **Silent Generation**

- Age 75+ (born after 1928)
- Tend to have a lot of leisure time
- Little trust of or familiarity with the internet



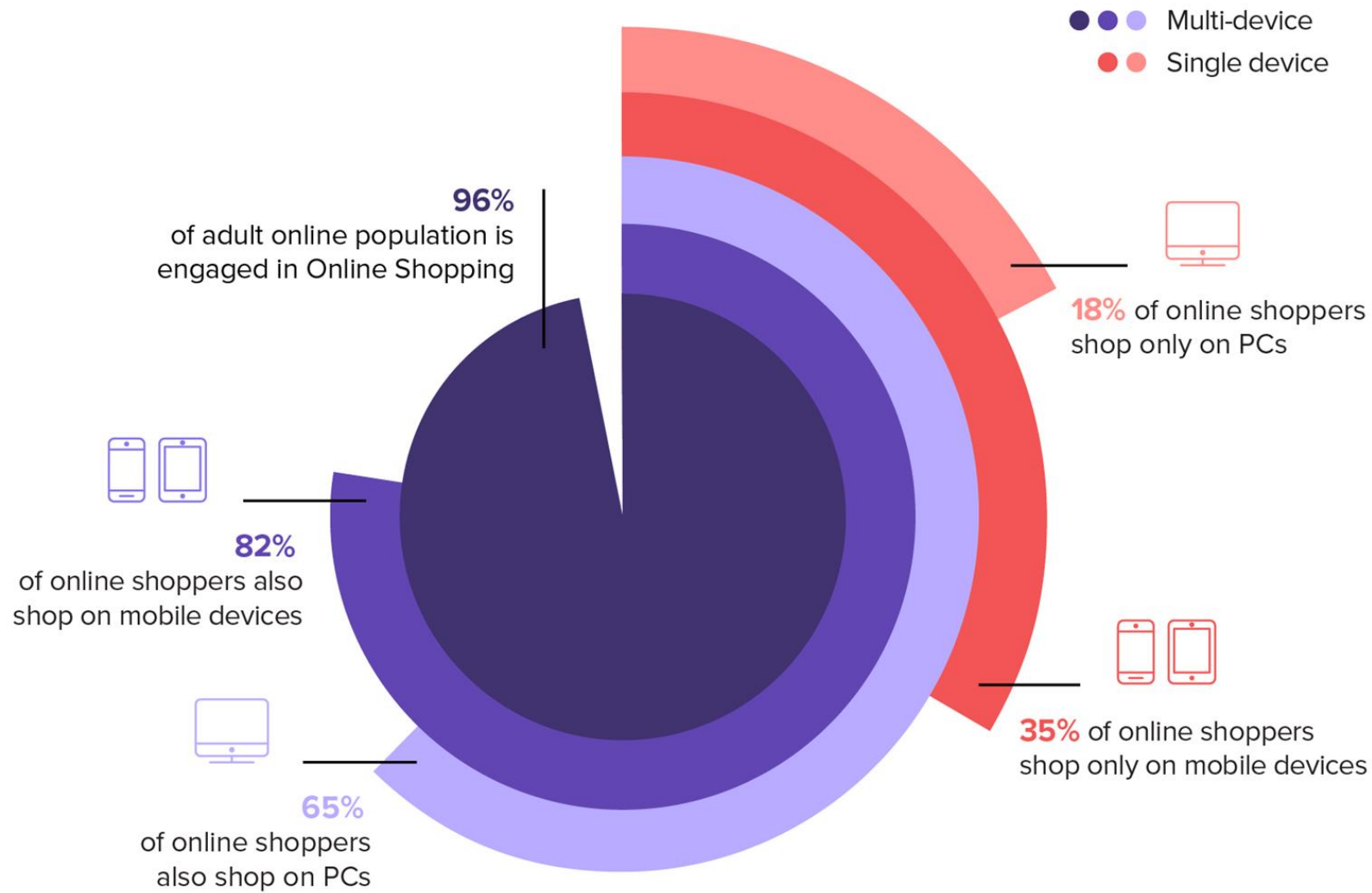
Online Shopping Reach Among US Online Users

By Device



Source: Statista.com

The Reach of Online Shopping



Total Time Spent Shopping in Millions of Hours

Million of Hours

160

140

120

100

80

60

40

20

0

1am

2

3

4

5

6

7

8

9

10

11

12pm

13

14

15

16

17

18

19

20

21

22

23

● PC

● Smartphone

● Tablet

Source: Verto Analytics, 2018

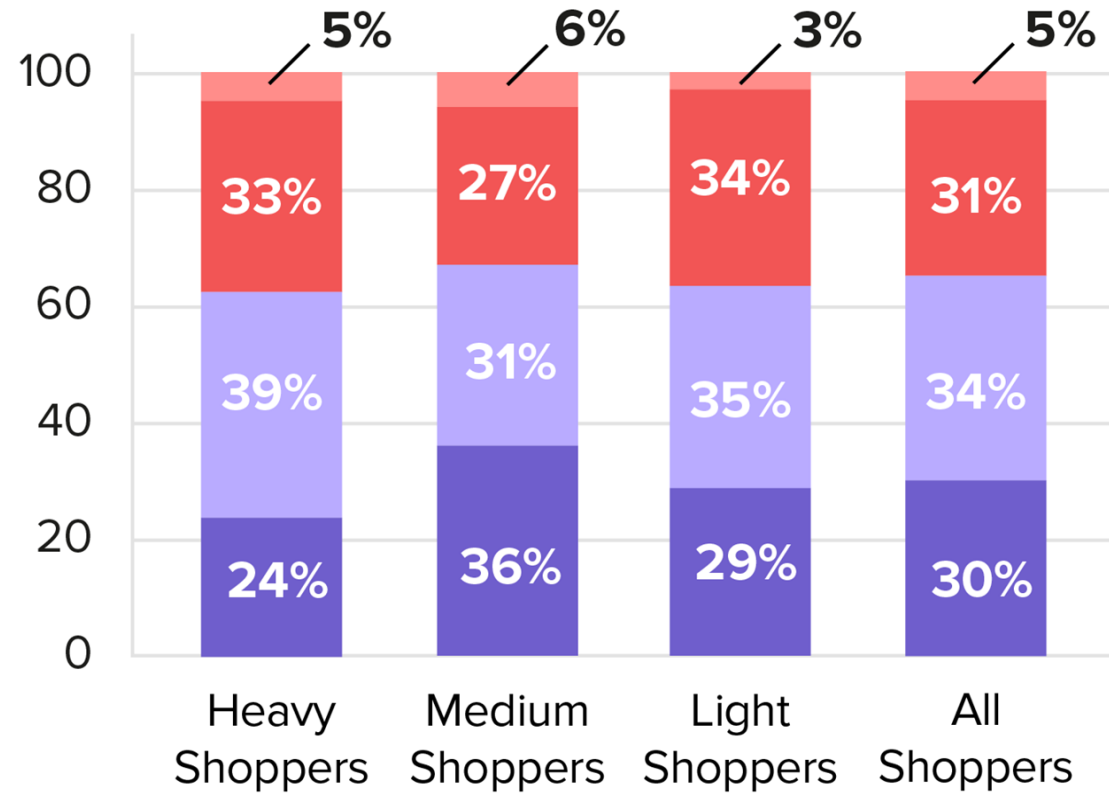


Categories Of Online Shoppers

Based on the amount of time they spend per month with online shopping brands

- **Heavy shoppers:** Top 20% of all online shoppers
- **Medium shoppers:** Between 40% and 80% of all online shoppers
- **Light shoppers:** Bottom 40% of all online shoppers

Age Distribution [%]



● Millennials

● Gen X

● Boomers

● 75+

WHAT INFLUENCES SHOPPERS TO BUY

FACTORS INFLUENCING THE AMERICAN'S DECISION TO PURCHASE ONLINE



WHAT SHOPPERS HATE

AMERICANS' LEAST FAVORITE PARTS OF SHOPPING ONLINE



5G's affect on e commerce

More customers, more revenue

- 5G will make the internet more accessible, and an even smoother ride for those on mobile devices. That translates into more potential customers browsing online

More brands will use VR and AR

- Ikea is already using this and more companies are expected to do same

Better AI learning capabilities

- Better suggestions



amazon



\$AMZN

Company Statistics

Amazon.com, Inc. (AMZN)

NasdaqGS - NasdaqGS Real Time Price. Currency in USD

☆ Add to watchlist

86.14 -3.84 (-4.27%) **86.07** -0.07 (-0.08%)

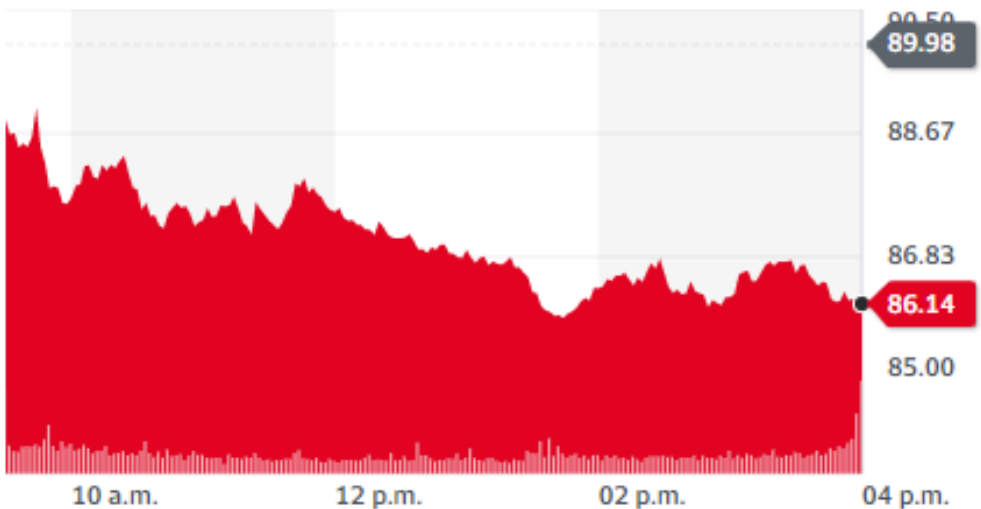
At close: 04:00PM EST

After hours: 5:41PM EST

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Previous Close	89.98	Market Cap	878.774B
Open	89.47	Beta (5Y Monthly)	1.23
Bid	86.20 x 800	PE Ratio (TTM)	78.31
Ask	86.12 x 800	EPS (TTM)	1.10
Day's Range	85.87 - 89.48	Earnings Date	Feb 01, 2023 - Feb 06, 2023
52 Week Range	85.87 - 188.11	Forward Dividend & Yield	N/A (N/A)
Volume	88,545,252	Ex-Dividend Date	N/A
Avg. Volume	64,628,071	1y Target Est	141.45

1D 5D 1M 6M YTD 1Y 5Y Max Full screen



Price Charts (1 Year)



Price Chart (5 Year)



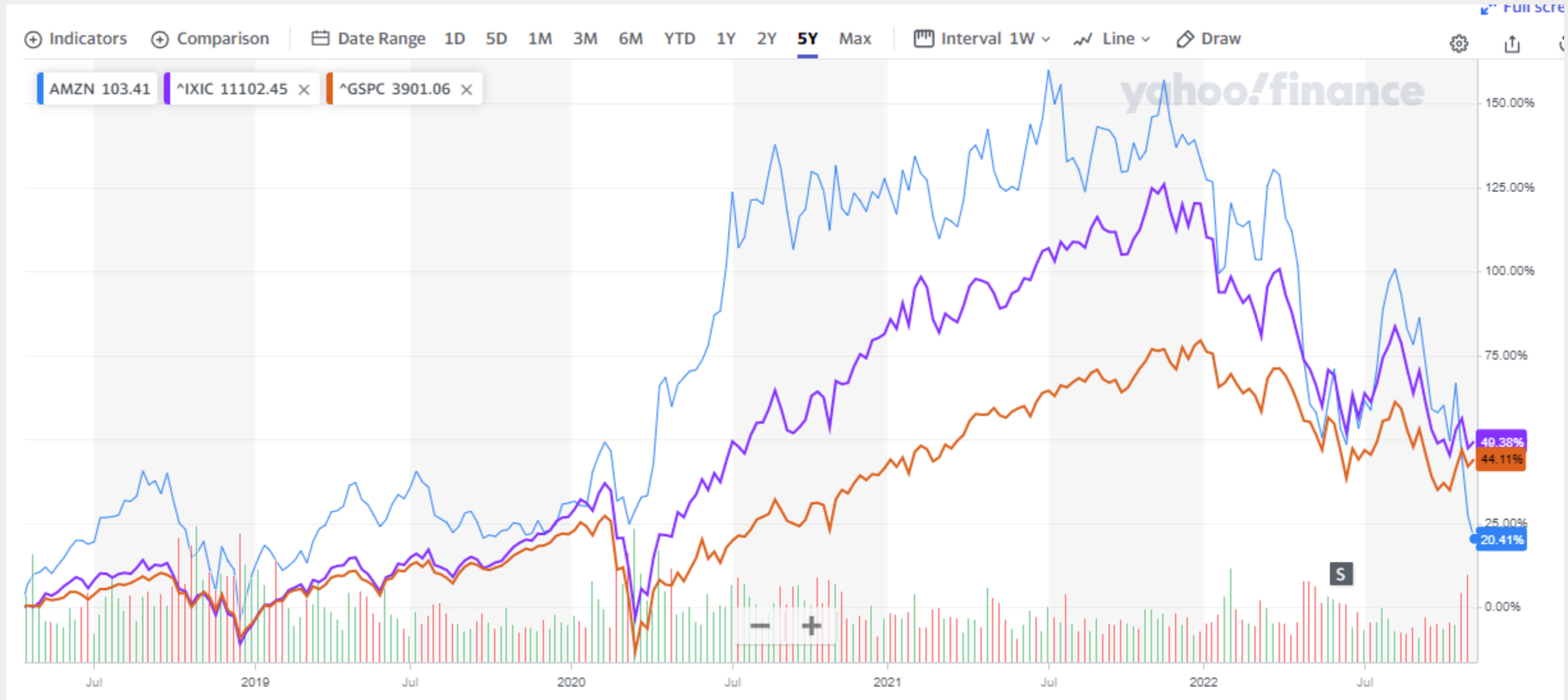
Price Chart (Max)



Stock price Comparison with Peers (Max)



Stock Return Comparison against Indices (5 Year)



Capital Structure

Major Holders Breakdown

Currency in USD

9.85%	% of Shares Held by All Insider
59.66%	% of Shares Held by Institutions
66.17%	% of Float Held by Institutions
5,226	Number of Institutions Holding Shares

Top Institutional Holders

Holder	Shares	Date Reported	% Out	Value
Vanguard Group, Inc. (The)	689,093,882	Jun 29, 2022	6.75%	62,693,763,697
Blackrock Inc.	587,459,057	Jun 29, 2022	5.76%	53,447,026,977
State Street Corporation	326,727,487	Jun 29, 2022	3.20%	29,725,667,864
Price (T.Rowe) Associates Inc	311,971,394	Jun 29, 2022	3.06%	28,383,158,473
FMR, LLC	286,047,356	Jun 29, 2022	2.80%	26,024,589,409
Geode Capital Management, LLC	152,022,631	Jun 29, 2022	1.49%	13,831,019,478
Morgan Stanley	120,385,962	Jun 29, 2022	1.18%	10,952,715,226
JP Morgan Chase & Company	106,763,557	Jun 29, 2022	1.05%	9,713,348,774
Capital Research Global Investors	100,280,938	Jun 29, 2022	0.98%	9,123,560,075
Northern Trust Corporation	94,997,372	Jun 29, 2022	0.93%	8,642,861,223

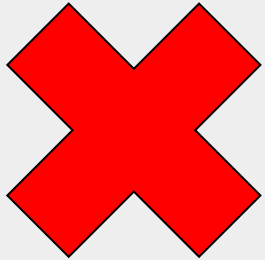
Share Buybacks

Note 6 — STOCKHOLDERS' EQUITY

Stock Repurchase Activity

In March 2022, the Board of Directors authorized a program to repurchase up to \$10.0 billion of our common stock, with no fixed expiration, which replaced the previous \$5.0 billion stock repurchase authorization, approved by the Board of Directors in February 2016. We repurchased 46.2 million shares of our common stock for \$6.0 billion during the nine months ended September 30, 2022 under these programs. As of September 30, 2022, we have \$6.1 billion remaining under the repurchase program.

Dividends?



Amazon Overview

AMAZON.COM, INC. (NASDAQ: AMZN)

- An American multinational technology company that focuses on e-commerce, cloud computing, digital streaming and artificial intelligence
 - ▶ Founded: July 5, 1994
 - ▶ Headquarters: 410 Terry Avenue North Seattle, Washington
 - ▶ Employees: ~1,622,000
 - ▶ Initial Public Offering: May 15, 1997
 - ▶ Amazon Marketplace is the largest online retailer in the US

Amazon Overview (Cont.)

General

- **Amazon is guided by 4 principles**
 1. Customer obsession rather than competitor focus
 2. Passion for Invention
 3. Commitment to Operational Excellence
 4. Long-term thinking

Amazon Operation Segments

1. North America
2. International
3. Amazon Web Services (AWS)

Amazon Customer Sets

1. Consumers
2. Sellers
3. Developers
4. Enterprises
5. Content Creators
6. Advertisers
7. Employees

Notable Acquisitions

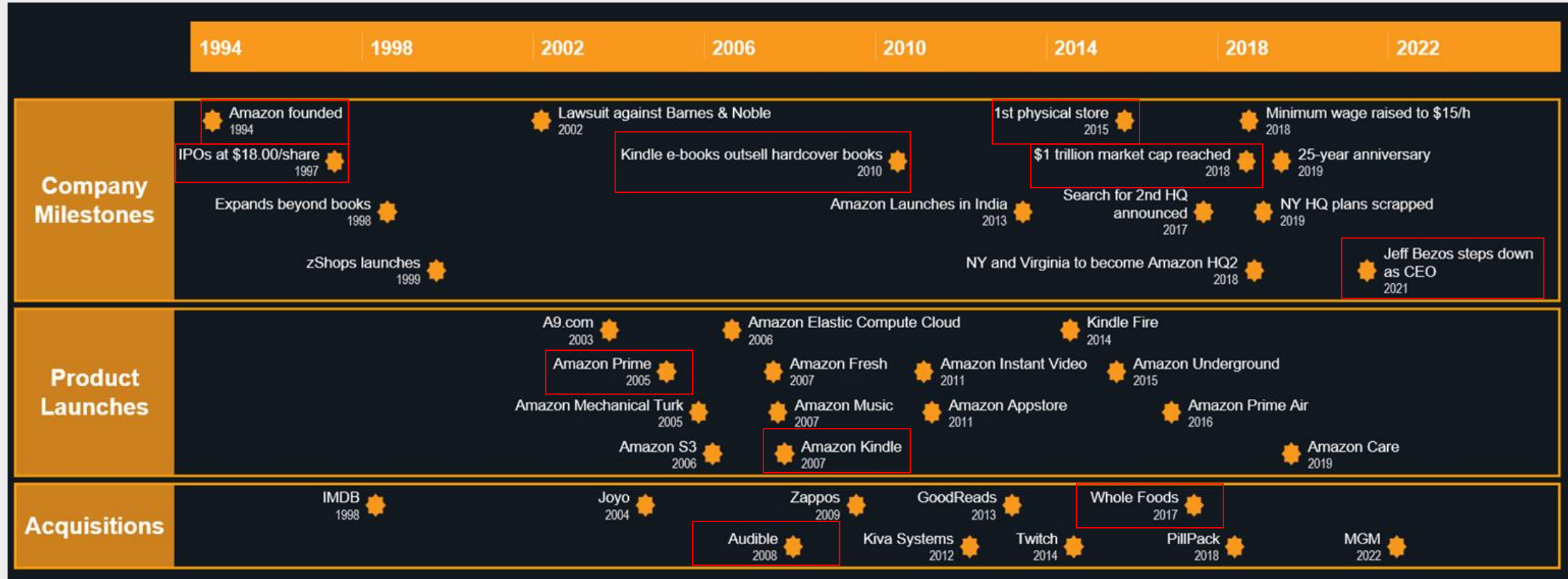
Rank	Company Acquired	Announced Date	Acquisition Value
#1	Whole Foods Market	Jun 16, 2017	\$13.7 billion
#2	Metro-Goldwyn-Mayer	May 26, 2021	\$8.5 billion
#3	Zoox	Jun 26, 2020	\$1.2 billion
#4	Zappos	Jul 22, 2009	\$1.2 billion
#5	Ring	Feb 27, 2018	\$970 million
#6	PillPack	Jun 28, 2018	\$839 million
#7	Twitch	Aug 25, 2014	\$775 million
#8	Kiva Systems	Mar 19, 2012	\$753 million
#9	Souq	Mar 27, 2017	\$580 million
#10	Quidsi	Nov 8, 2010	\$545 million



ZOOX



Amazon Historical Timeline / Key Milestones



Amazon Customer Sets



1. Customers

- **Customers served through Online & Physical Stores**
 - Focus on Price, Selection, Convenience
 - Amazon and third-party products sold
 - Customer access through Websites, Mobile Apps, Alexa Devices, Streaming, Physical Stores
- **Manufactures and sells Electronic Devices**
 - Kindle, Fire tablet, Fire TV, Echo, Ring
- **Develops and produces Media Content**
 - Amazon Prime Video Original Films
 - AWS Media Services
- **Offers Subscription Services**
 - Amazon Prime
 - Fast, free shipping
 - Access to movies, series, other benefits
- **Customer Order Fulfilment**
 - North America and International fulfilment networks that Amazon operates
 - Co-sourced/outsourced arrangements in certain countries
 - Digital delivery
 - Physical stores
 - Global customer service centers

Amazon Customer Sets (Cont.)

2. Sellers

- **Programs offered to help sellers**
 - **Grow business**
 - **Sell their products in-store**
 - **Fulfil orders through Amazon**
- **Amazon earns fixed fees, percentage-of-sales, per-unit activity fees, interest (or some combination thereof) for seller programs**



Amazon Customer Sets (Cont.)

3. Developers and Enterprises

- Serves developers and enterprises of all sizes through Amazon Web Services (AWS)
 - Startups
 - Government agencies
 - Academic institutions
- AWS offers on-demand technology services
 - Computing
 - Storage
 - Database
 - Analytics
 - Machine Learning
 - Other Services



Amazon Customer Sets (Cont.)

4. Content Creators

- Serves Authors and independent publishers
 - Kindle Direct Publishing, allows authors to choose royalty options
 - Alongside Amazon Publishing arm (Amazon Publishing)
 - Programs offered to allow authors, musicians, filmmakers, Twitch streamers, etc. to publish and sell content



5. Advertisers

- Provide advertising services to sellers, vendors, publishers, authors, others
 - Through sponsored ads, display, video advertising

Management's Discussion & Analysis (MD&A)

Overview

- Primary source of revenue is the sale of a wide range of products and services to customers
- **Financial focus is on long-term, sustainable growth in free cash flows**
 - Driven by increasing operating income, efficiently managing accounts receivable, inventory, accounts payable, cash capital expenditures (incl. purchasing or leasing property and equipment)
- **Seek to reduce variable costs per unit and work to leverage fixed costs**
 - Variable Costs: product/content cost, payment processing, packaging, etc.
 - Change directly with sales volume
 - Fixed Costs: technology infrastructure build, web services, electronic devices, fulfilment networks
 - Dependent on timing of capacity needs, expansion

Management's Discussion & Analysis (MD&A) (Cont.)

Overview

- Able to turn over inventory quickly and have cash-generating operating cycle because of business model
- Spending in technology and content to increase over time
 - Due to addition of computer scientists, designers, software, hardware engineers, etc.
 - Efficiently invest in technology and content, including AWS
 - Expansion of new and existing product categories and service offerings
- Shareholder dilution to be efficiently managed whilst having flexibility to issue shares for financings, acquisitions, and employee compensation

Sales Breakdown

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2022	2021	2022
North America				
Net sales	\$ 65,557	\$ 78,843	\$ 197,473	\$ 222,517
Operating expenses	64,677	79,255	189,996	225,124
Operating income (loss)	<u>\$ 880</u>	<u>\$ (412)</u>	<u>\$ 7,477</u>	<u>\$ (2,607)</u>
International				
Net sales	<u>\$ 29,145</u>	<u>\$ 27,720</u>	\$ 90,515	\$ 83,544
Operating expenses	30,056	30,186	89,812	89,062
Operating income (loss)	<u>\$ (911)</u>	<u>\$ (2,466)</u>	<u>\$ 703</u>	<u>\$ (5,518)</u>
AWS				
Net sales	\$ 16,110	\$ 20,538	\$ 44,422	\$ 58,718
Operating expenses	11,227	15,135	31,183	41,082
Operating income	<u>\$ 4,883</u>	<u>\$ 5,403</u>	<u>\$ 13,239</u>	<u>\$ 17,636</u>
Consolidated				
Net sales	\$ 110,812	\$ 127,101	\$ 332,410	\$ 364,779
Operating expenses	105,960	124,576	310,991	355,268
Operating income	4,852	2,525	21,419	9,511
Total non-operating income (expense)	(537)	419	1,798	(14,485)
Benefit (provision) for income taxes	(1,155)	(69)	(4,179)	1,990
Equity-method investment activity, net of tax	(4)	(3)	3	(16)
Net income (loss)	<u>\$ 3,156</u>	<u>\$ 2,872</u>	<u>\$ 19,041</u>	<u>\$ (3,000)</u>

Management Team / Executive Officers (As of Jan 26, 2022)

Name	Age	Position
Jeffrey P. Bezos	58	Executive Chair
Andrew R. Jassy	54	President and Chief Executive Officer
David H. Clark	49	CEO Worldwide Consumer
Brian T. Olsavsky	58	Senior Vice President and Chief Financial Officer
Shelley L. Reynolds	57	Vice President, Worldwide Controller, and Principal Accounting Officer
Adam N. Selipsky	55	CEO Amazon Web Services
David A. Zapolsky	58	Senior Vice President, General Counsel, and Secretary

Jeffrey P. Bezos. Mr. Bezos founded Amazon.com in 1994 and has served as Executive Chair since July 2021. He has served as Chair of the Board since 1994 and served as Chief Executive Officer from May 1996 until July 2021, and as President from 1994 until June 1999 and again from October 2000 to July 2021.

Andrew R. Jassy. Mr. Jassy has served as President and Chief Executive Officer since July 2021, CEO Amazon Web Services from April 2016 until July 2021, and Senior Vice President, Amazon Web Services, from April 2006 until April 2016.

David H. Clark. Mr. Clark has served as CEO Worldwide Consumer since January 2021, and Senior Vice President, Worldwide Operations, from May 2014 until January 2021.

Brian T. Olsavsky. Mr. Olsavsky has served as Senior Vice President and Chief Financial Officer since June 2015, Vice President, Finance for the Global Consumer Business from December 2011 to June 2015, and numerous financial leadership roles across Amazon with global responsibility since April 2002.

Shelley L. Reynolds. Ms. Reynolds has served as Vice President, Worldwide Controller, and Principal Accounting Officer since April 2007.

Adam N. Selipsky. Mr. Selipsky has served as CEO Amazon Web Services since July 2021, Senior Vice President, Amazon Web Services from May 2021 until July 2021, President and CEO of Tableau Software from September 2016 until May 2021, and Vice President, Marketing, Sales and Support of Amazon Web Services from May 2005 to September 2016.

David A. Zapolsky. Mr. Zapolsky has served as Senior Vice President, General Counsel, and Secretary since May 2014, Vice President, General Counsel, and Secretary from September 2012 to May 2014, and as Vice President and Associate General Counsel for Litigation and Regulatory matters from April 2002 until September 2012.

Jeff Bezos

- Chairman of the Board of Amazon since 1994
- CEO (1996 – 2021)
- Founder of Amazon
- Founder of Blue Origin
- Owner of Nash Holdings
- Top shareholders of Amazon
- Divorce in 2019
- MacKenzie Scott (his ex-wife) received 25% of his stake in Amazon
- Still the biggest shareholders (holding 15.1% of outstanding shares)



Andy Jassy

- Andy Jassy is President and CEO of [Amazon.com](https://www.amazon.com) and also serves on the Board of Directors.
- He founded and led Amazon Web Services (AWS) from its inception and served as its CEO from April 2016 until July 2021.
- He joined Amazon in 1997 and, prior to founding AWS, held various leadership roles across the company, including both business-to-business and business-to-consumer.
- He has an AB from Harvard University and an MBA from Harvard Business School.



More about Andy Jassy

- 24 years working for Amazon
- He is 54 years old
- Comes from Scarsdale, which is an affluent suburb of New York City
- Minority stakeholder in Seattle Kraken (new NHL franchise)
- Current salary as CEO - \$767,650 USD
- As of November 2022, his net worth is an estimated \$400 million



David H. Clark



David H. Clark. Mr. Clark has served as CEO Worldwide Consumer since January 2021, and Senior Vice President, Worldwide Operations, from May 2014 until January 2021.

Brian T. Olsavsky



Joined Amazon in April 2002

- Vice President, Finance for Amazon's North America retail business (2007 – 2010)
- Senior Vice President (2015 – now)
- CFO (2015 – now)

Shelley L. Reynolds



- Oversees Amazon's accounting function
- (2007-Present) - VP, Worldwide Controller & Principal Accounting Officer
- (2006-2007) - VP, Finance & Controller
- (1998-2006) - Partner at Deloitte & Touche LLP

Adam N. Selipsky



Mr. Selipsky has served as CEO Amazon Web Services since July 2021, Senior Vice President, Amazon Web Services from May 2021 until July 2021, President and CEO of Tableau Software from September 2016 until May 2021, and Vice President, Marketing, Sales and Support of Amazon Web Services from May 2005 to September 2016.

David A. Zapolsky



- (2014-Present) - SVP, General Counsel and Secretary
- (2002-2014) - VP, General Counsel and Secretary
- (1999-2002) - Associate General Counsel
- (1999) - Partner at Dorsey & Whitney LLP
- (1994-1999) - Partner at Bogle & Gates
- (1991-1994) - Associate at Wachtell, Lipton, Rosen & Katz
- (1998-1991) - Assistant District Attorney at Kings County District Attorney's Office
- (1985-1988) - J.D., Law from Berkeley School of Law

Board of Directors (As of Jan 26, 2022)

Name	Age	Position
Jeffrey P. Bezos	58	Executive Chair
Andrew R. Jassy	54	President and Chief Executive Officer
Keith B. Alexander	70	Co-CEO, President, and Chair of IronNet Cybersecurity, Inc.
Edith W. Cooper	60	Former Executive Vice President, Goldman Sachs Group, Inc.
Jamie S. Gorelick	71	Partner, Wilmer Cutler Pickering Hale and Dorr LLP
Daniel P. Huttenlocher	63	Dean, MIT Schwarzman College of Computing
Judith A. McGrath	69	Former Chair and CEO, MTV Networks
Indra K. Nooyi	66	Former Chief Executive Officer, PepsiCo, Inc.
Jonathan J. Rubinstein	65	Former co-CEO, Bridgewater Associates, LP
Patricia Q. Stonesifer	65	Former President and Chief Executive Officer, Martha's Table
Wendell P. Weeks	62	Chief Executive Officer, Corning Incorporated

Board of Directors (As of Jan 26, 2022, cont.)



Jeffrey P. Bezos
Founder and Executive Chair of Amazon

Background

Mr. Bezos has been Chair of the Board since founding the Company in 1994. Prior to becoming Executive Chair in July 2021, he served as Chief Executive Officer from May 1996 to July 2021 and as President from founding until June 1999 and again from October 2000 to July 2021.

Qualifications and Skills

Mr. Bezos’s individual qualifications and skills as a director include his customer-focused point of view, his willingness to encourage invention, his long-term perspective, and his ongoing contributions as founder and Executive Chair.

Mr. Bezos serves as Executive Chair of the Bezos Earth Fund, which he founded with a commitment of \$10 billion to be disbursed as grants within the current decade to fight climate change and protect nature. Mr. Bezos also founded the Bezos Day One Fund, a \$2 billion commitment to focus on making meaningful and lasting impacts in two areas: funding existing non-profits that help families experiencing homelessness and creating a network of new, non-profit tier-one preschools in low-income communities. Finally, Mr. Bezos founded Blue Origin with the vision of enabling a future where millions of people are living and working in space for the benefit of Earth, and owns The Washington Post, a major U.S. newspaper dedicated to the principles of a free press and winner of 69 Pulitzer Prizes.

Age:
58

Director since:
July 1994

Board committees:
None

Other current public company boards:
None



Andrew R. Jassy

President and
CEO of Amazon

Background

Mr. Jassy has been President and Chief Executive Officer of the Company since July 2021. He founded and led Amazon Web Services since its inception, serving as its CEO from April 2016 to July 2021 and its Senior Vice President from April 2006 until April 2016. Mr. Jassy joined the Company in 1997, and, prior to founding AWS, he held various leadership roles across the Company, including both business-to-business and business-to-consumer.

Mr. Jassy has served as a trustee and sponsor of Rainier Scholars, a program that offers a pathway to college graduation and career success for underrepresented students of color, since 2011, and serves as Chair and is a founding member of the board of directors of Rainier Prep, a charter middle school committed to college and career readiness for limited-income and immigrant students and students of color.

Qualifications and Skills

Mr. Jassy's individual qualifications and skills as a director include his customer-focused point of view, his long-term perspective, his deep understanding of Amazon's business and culture, his in-depth knowledge of human capital management issues, including oversight of workplace environment and culture, administration of diversity and inclusion initiatives, and implementation of policies and practices to promote employee engagement and effectiveness, and his ongoing contributions as President and CEO.

Age:
54

Director since:
July 2021

Board committees:
None

Other current public company boards:
None



General (Ret.) Keith B. Alexander

Co-CEO, President, and
Chair of IronNet

Background

General (Ret.) Keith B. Alexander has been the Co-Chief Executive Officer, President, and Chair of IronNet, Inc. ("IronNet"), a cybersecurity technology company he founded, since 2014. Gen. Alexander served as the Commander of U.S. Cyber Command from May 2010 to March 2014 and was Director of the National Security Agency and Chief of the Central Security Service from August 2005 to March 2014.

Gen. Alexander served as a director of CSRA, Inc. from November 2015 to April 2018.

Qualifications and Skills

Gen. Alexander's individual qualifications and skills as a director include his leadership and public policy experience as a high-ranking military official responsible for intelligence and national security affairs, through which he gained experience with emerging technologies and cybersecurity. Gen. Alexander further honed his entrepreneurial and commercial experience and customer experience skills in his role at IronNet.

Age:
70

Director since:
September 2020

Board committees:
Audit

Other current public company boards:
IronNet, Inc.



Edith W. Cooper

Co-Founder of Medley Living, Inc.
and Former EVP of Goldman Sachs

Background

Ms. Cooper is a co-founder of Medley Living, Inc., a membership-based community for personal and professional growth that launched in September 2020. In addition, Ms. Cooper served as Executive Vice President, Global Head of Human Capital Management of Goldman Sachs Group, Inc. ("Goldman Sachs") from March 2008 to December 2017. Previously at Goldman Sachs, Ms. Cooper led various client franchise businesses for the firm.

Ms. Cooper has served as a director of PepsiCo, Inc. since September 2021, a director of MSD Acquisition Corp. since March 2021, a director of EQT AB since October 2018, a director of Etsy, Inc. from April 2018 to September 2021, and a director of Slack Technologies, Inc. from January 2018 to July 2021. Ms. Cooper has also served as a trustee of the Museum of Modern Art since 2017, as a member of the Museum Council of the Smithsonian National Museum of African American History and Culture since 2018, and as a trustee of Mount Sinai Health Systems, Institute for Health Equity Research, an organization dedicated to addressing longstanding disparities in health and health care, since 2017.

Qualifications and Skills

Ms. Cooper's individual qualifications and skills as a director include her leadership, finance, and human capital management experience, including as a longtime senior executive at Goldman Sachs, through which she gained experience with talent development, recruiting, retention, and workplace culture, as well as her customer experience skills.

Age:
60

Director since:
September 2021

Board committees:
Leadership Development and
Compensation

Other current public company boards:
EQT AB, MSD Acquisition Corp.,
PepsiCo, Inc.



Jamie S. Gorelick

Partner with Wilmer Cutler
Pickering Hale and Dorr LLP

Background

Ms. Gorelick has been a partner with the law firm Wilmer Cutler Pickering Hale and Dorr LLP since July 2003. She has held numerous positions in the U.S. government, serving as Deputy Attorney General of the United States, General Counsel of the Department of Defense, Assistant to the Secretary of Energy, and a member of the bipartisan National Commission on Terrorist Threats Upon the United States.

Ms. Gorelick has served as a director of VeriSign, Inc. since January 2015, a director of United Technologies Corporation from February 2000 to December 2014, and a director of Schlumberger Limited from April 2002 to June 2010. Ms. Gorelick has also served as Chair of the Urban Institute, the United States' leading research organization dedicated to developing evidence-based insights that improve people's lives and strengthen communities, since 2014 and as a director since 2004. She was one of the founding supporters and a long-time board member of the Washington Legal Clinic for the Homeless and served on the board of the National Women's Law Center.

Qualifications and Skills

Ms. Gorelick's individual qualifications and skills as a director include her experience as a lawyer, her leadership experience in senior governmental positions, including experience with regulatory and compliance matters, her corporate governance experience, as well as her customer experience skills and skills relating to public policy and financial statement and accounting matters. Ms. Gorelick also has deep experience addressing diversity, equity, and inclusion, both on a policy level and in practice in the workplace, through her work advising companies and institutions on anti-harassment, non-discrimination, and gender and race issues, and is sought as a counselor on climate, environmental regulation, and environmental justice issues.

Age:
71

Director since:
February 2012

Board committees:
Nominating and Corporate
Governance (Chair)

Other current public company boards:
VeriSign, Inc.



Daniel P. Huttenlocher

Dean of MIT Schwarzman College of Computing

Background

Mr. Huttenlocher has been the Dean of MIT Schwarzman College of Computing since August 2019. He served as Dean and Vice Provost, Cornell Tech at Cornell University from 2012 to July 2019 and worked for Cornell University from 1988 to 2012 in various positions.

Mr. Huttenlocher has served as a director of Corning Incorporated since February 2015. Mr. Huttenlocher has also served as the Chair of the John D. and Catherine T. MacArthur Foundation, an independent foundation that makes grants and impact investments to support non-profit organizations that are addressing global social challenges, since 2018 and as a director since 2010.

Qualifications and Skills

Mr. Huttenlocher's individual qualifications and skills as a director include his experience as an internationally recognized computer scientist and in senior positions at MIT and Cornell University, both leading universities, Cornell Tech, a research, technology commercialization, and graduate-level educational facility, and the Xerox Palo Alto Research Center, a technology research facility, through which he gained experience with emerging technologies, as well as his customer experience skills.

Age: 63	Director since: September 2016	Board committees: Leadership Development and Compensation	Other current public company boards: Corning Incorporated
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Judith A. McGrath

Former Chair and CEO of MTV Networks

Background

Ms. McGrath served as Chair and Chief Executive Officer of MTV Networks Entertainment Group worldwide, a division of Viacom, Inc., including Comedy Central and Nickelodeon, from July 2004 until May 2011. She was part of the original founding and launch team for MTV in 1981. Subsequent to leaving Viacom, Ms. McGrath formed a multi-media joint venture with Sony Music Entertainment called Astronauts Wanted: No Experience Necessary, identifying and creating content with emerging digital media talent, at which Ms. McGrath served as President from June 2013 to March 2018 and continued as a senior advisor from March 2018 to December 2019.

Ms. McGrath served as a board member of the American Red Cross from 2011 until 2014, and has served on the board of the Rock and Roll Hall of Fame since 2007.

Qualifications and Skills

Ms. McGrath's individual qualifications and skills as a director include her leadership and multimedia operations experience as a longtime senior executive of MTV Networks Entertainment Group, through which she gained experience with content creation, advertising, and content distribution, as well as her customer experience skills. As CEO of MTV, Ms. McGrath was responsible for the compensation strategy for over 12,000 employees, diversity and inclusion initiatives for the employee population, and launching new multimedia brands like LOGO, a cable channel dedicated to lifestyle and entertainment aimed at the LGBTQ+ consumer. Ms. McGrath further honed her digital and entrepreneurial experience with global customers in her role at Astronauts Wanted: No Experience Necessary.

Age: 69	Director since: July 2014	Board committees: Leadership Development and Compensation (Chair)	Other current public company boards: None
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Indra K. Nooyi

Former Chair and CEO of PepsiCo, Inc.

Background

Mrs. Nooyi was the Chief Executive Officer of PepsiCo, Inc., a multinational food, snack, and beverage company, from October 2006 to October 2018, where she also served as the Chair of its board of directors from May 2007 to February 2019. She was elected to PepsiCo's board of directors and became its President and Chief Financial Officer in 2001, and held leadership roles in finance and corporate strategy and development after joining PepsiCo in 1994.

Mrs. Nooyi has served as a director of Royal Philips since May 2021 and a director of Schlumberger Limited from April 2015 to April 2020. Mrs. Nooyi has also served as a trustee of The Asia Society, a global non-profit organization forging closer ties with Asia through arts, education, policy, and business outreach, since 2014; as a director of Partnership for Public Service, a non-profit, nonpartisan organization that strives for a more effective government for the American people, since 2019; as a trustee of Memorial Sloan Kettering Cancer Center, the world's oldest and largest private cancer center, since 2020; and as a trustee of the National Gallery of Art since 2021.

Qualifications and Skills

Mrs. Nooyi's individual qualifications and skills as a director include her leadership experience as a longtime senior executive at a large corporation with international operations, through which she gained experience with consumer-focused product development, international operations, and marketing issues, as well as her customer experience skills and skills relating to financial statement and accounting matters when she was CFO. At PepsiCo, Mrs. Nooyi was the architect of Performance with Purpose ("PwP"), a strategy focused on delivering financial performance while shifting the company's portfolio to healthier products (human sustainability), reducing water use and the company's carbon footprint and moving to a closed loop plastics system (environmental sustainability), and creating an environment at PepsiCo where all employees could be supported as associates and family builders/nurturers (talent sustainability). Mrs. Nooyi's PwP was lauded for advancing environmental issues, implementing excellent governance, and sensible people practices.

Age: 66	Director since: February 2019	Board committees: Audit (Chair)	Other current public company boards: Royal Philips
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Jonathan J. Rubinstein

Former co-CEO of Bridgewater Associates, LP

Background

Mr. Rubinstein was co-CEO of Bridgewater Associates, LP, a global investment management firm, from May 2016 to April 2017. Previously, Mr. Rubinstein was Senior Vice President, Product Innovation, for the Personal Systems Group at the Hewlett-Packard Company ("HP"), a multinational information technology company, from July 2011 to January 2012, and served as Senior Vice President and General Manager, Palm Global Business Unit, at HP from July 2010 to July 2011. Mr. Rubinstein was Chief Executive Officer and President of Palm, Inc., a smartphone manufacturer, from June 2009 until its acquisition by HP in July 2010, and Chair of the Board of Palm, Inc. from October 2007 through the acquisition. Prior to joining Palm, Mr. Rubinstein was a Senior Vice President at Apple Inc., also serving as the General Manager of the iPod Division.

Mr. Rubinstein has served as the lead director of Robinhood Markets, Inc. since May 2021 and a director of Qualcomm Incorporated from May 2013 to May 2016.

Qualifications and Skills

Mr. Rubinstein's individual qualifications and skills as a director include his leadership and technology experience as a senior executive at large financial and technology companies, through which he gained experience with hardware devices and emerging technologies, as well as his customer experience skills and skills relating to financial statement and accounting matters. Mr. Rubinstein also has deep experience addressing human capital management issues, including oversight of workplace environment and culture, as well as in-depth knowledge of diversity, equity, and inclusion matters and environmental issues, through his roles as a senior executive and director at numerous technology and finance companies.

Age: 65	Director since: December 2010	Board committees: Nominating and Corporate Governance	Other current public company boards: Robinhood Markets, Inc.
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Patricia Q. Stonesifer

Former President and CEO of
Martha's Table

Background

Ms. Stonesifer served as the President and CEO of Martha's Table, a non-profit, from April 2013 to March 2019. She served as Chair of the Board of Regents of the Smithsonian Institution from January 2009 to January 2012 and as Vice Chair from January 2012 to January 2013. From September 2008 to January 2012, she served as senior advisor to the Bill and Melinda Gates Foundation, a private philanthropic organization, where she was Chief Executive Officer from January 2006 to September 2008 and President and Co-chair from June 1997 to January 2006. Since September 2009, she has also served as a private philanthropy advisor. From 1988 to 1997, she worked in many roles at Microsoft Corporation, including as a Senior Vice President of the Interactive Media Division, and also served as the Chairwoman of the Gates Learning Foundation from 1997 to 1999.

Ms. Stonesifer has served as a trustee of The Rockefeller Foundation, a private foundation dedicated to promoting the well-being of humanity throughout the world, since 2019, as an emeritus member of the Museum Council of the Smithsonian National Museum of African American History and Culture since 2021, and as a member of the Museum Council from 2012 to 2020. Ms. Stonesifer has been a member of the Board of Advisors of TheDream.US, a college access and success program for immigrant students, since 2020.

Qualifications and Skills

Ms. Stonesifer's individual qualifications and skills as a director include her leadership experience as a senior executive at the Bill and Melinda Gates Foundation and at Microsoft, through which she gained experience with emerging technologies and consumer-focused product development and marketing issues, her knowledge of Amazon from having served as a director since 1997, her experience with non-profits from her leadership of Martha's Table and the Bill and Melinda Gates Foundation, as well as her customer experience skills and skills relating to public policy and financial statement and accounting matters.

Age:
65

Director since:
February 1997

Board committees:
Nominating and Corporate
Governance

Other current public company boards:
None



Wendell P. Weeks

Chairman and CEO of
Corning Incorporated

Background

Mr. Weeks has been the Chief Executive Officer of Corning Incorporated, a glass and materials science innovator, since April 2005 and Chairman of the board of directors since April 2007. He has also held a variety of financial, commercial, business development, and general management positions across Corning's market access platforms and technologies since he joined the company in 1983.

Mr. Weeks has served on the Board of Trustees for the Corning Museum of Glass, which is dedicated to enriching and engaging local and global communities by sharing knowledge, collections, programs, facilities, and resources, since 2001. He also served as a director of Merck & Co., Inc. from February 2004 to May 2020.

Qualifications and Skills

Mr. Weeks's individual qualifications and skills as a director include his leadership and operations experience as a senior executive at a large, multinational corporation, experience with restructuring, emerging technologies, and product development, including his experience having earned 33 U.S. patents, as well as his customer experience skills and skills relating to financial statement and accounting matters. Mr. Weeks's qualifications and skills also include his oversight of climate change initiatives in the areas of clean air and renewable energy, including overseeing Corning's creation of new products in glass and ceramics vital to industry transformation, and his knowledge of diversity, equity, and inclusion initiatives through his experience launching Corning's Office of Racial Equality and Social Unity, which is responsible for advancing community partnerships to support school diversity, community activism, and economic growth.

Age:
62

Director since:
February 2016

Board committees:
Audit

Other current public company boards:
Corning Incorporated

Financial Statements

Balance Sheet (10Q, Assets October 28, 2022)

	December 31, 2021	September 30, 2022 (unaudited)
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 36,220	\$ 34,947
Marketable securities	59,829	23,715
Inventories	32,640	36,647
Accounts receivable, net and other	32,891	36,154
Total current assets	161,580	131,463
Property and equipment, net	160,281	177,195
Operating leases	56,082	62,033
Goodwill	15,371	20,168
Other assets	27,235	37,503
Total assets	\$ 420,549	\$ 428,362

Balance Sheet (10Q, Liabilities + Equity October 28, 2022)

<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable	\$	78,664	\$ 67,760
Accrued expenses and other		51,775	59,974
Unearned revenue		11,827	12,629
Total current liabilities		142,266	140,363
Long-term lease liabilities		67,651	69,332
Long-term debt		48,744	58,919
Other long-term liabilities		23,643	22,259
Commitments and contingencies (Note 4)			
Stockholders' equity:			
Preferred stock (\$0.01 par value; 500 shares authorized; no shares issued or outstanding)		—	—
Common stock (\$0.01 par value; 100,000 shares authorized; 10,644 and 10,714 shares issued; 10,175 and 10,198 shares outstanding)		106	107
Treasury stock, at cost		(1,837)	(7,837)
Additional paid-in capital		55,437	69,419
Accumulated other comprehensive income (loss)		(1,376)	(7,115)
Retained earnings		85,915	82,915
Total stockholders' equity		138,245	137,489
Total liabilities and stockholders' equity	\$	420,549	\$ 428,362

Balance Sheet (10K, Assets)

	December 31,	
	2020	2021
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 42,122	\$ 36,220
Marketable securities	42,274	59,829
Inventories	23,795	32,640
Accounts receivable, net and other	24,542	32,891
Total current assets	132,733	161,580
Property and equipment, net	113,114	160,281
Operating leases	37,553	56,082
Goodwill	15,017	15,371
Other assets	22,778	27,235
Total assets	\$ 321,195	\$ 420,549

Balance Sheet (10K, Liabilities + Equity)

<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable	\$	72,539	\$ 78,664
Accrued expenses and other		44,138	51,775
Unearned revenue		9,708	11,827
Total current liabilities		126,385	142,266
Long-term lease liabilities		52,573	67,651
Long-term debt		31,816	48,744
Other long-term liabilities		17,017	23,643
Commitments and contingencies (Note 7)			
Stockholders' equity:			
Preferred stock, \$0.01 par value:			
Authorized shares — 500			
Issued and outstanding shares — none		—	—
Common stock, \$0.01 par value:			
Authorized shares — 5,000			
Issued shares — 527 and 532			
Outstanding shares — 503 and 509		5	5
Treasury stock, at cost		(1,837)	(1,837)
Additional paid-in capital		42,865	55,538
Accumulated other comprehensive income (loss)		(180)	(1,376)
Retained earnings		52,551	85,915
Total stockholders' equity		93,404	138,245
Total liabilities and stockholders' equity	\$	321,195	\$ 420,549

Income Statement (10K)

	Year Ended December 31,		
	2019	2020	2021
Net product sales	\$ 160,408	\$ 215,915	\$ 241,787
Net service sales	120,114	170,149	228,035
Total net sales	280,522	386,064	469,822
Operating expenses:			
Cost of sales	165,536	233,307	272,344
Fulfillment	40,232	58,517	75,111
Technology and content	35,931	42,740	56,052
Marketing	18,878	22,008	32,551
General and administrative	5,203	6,668	8,823
Other operating expense (income), net	201	(75)	62
Total operating expenses	265,981	363,165	444,943
Operating income	14,541	22,899	24,879
Interest income	832	555	448
Interest expense	(1,600)	(1,647)	(1,809)
Other income (expense), net	203	2,371	14,633
Total non-operating income (expense)	(565)	1,279	13,272
Income before income taxes	13,976	24,178	38,151
Provision for income taxes	(2,374)	(2,863)	(4,791)
Equity-method investment activity, net of tax	(14)	16	4
Net income	\$ 11,588	\$ 21,331	\$ 33,364
Basic earnings per share	\$ 23.46	\$ 42.64	\$ 65.96
Diluted earnings per share	\$ 23.01	\$ 41.83	\$ 64.81
Weighted-average shares used in computation of earnings per share:			
Basic	494	500	506
Diluted	504	510	515

Income Statement (10Q, October 28, 2022)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2022	2021	2022
Net product sales	\$ 54,876	\$ 59,340	\$ 170,371	\$ 172,370
Net service sales	55,936	67,761	162,039	192,409
Total net sales	110,812	127,101	332,410	364,779
Operating expenses:				
Cost of sales	62,930	70,268	189,509	203,191
Fulfillment	18,498	20,583	52,666	61,196
Technology and content	14,380	19,485	40,739	52,399
Sales and marketing	8,010	11,014	21,741	29,420
General and administrative	2,153	3,061	6,298	8,558
Other operating expense (income), net	(11)	165	38	504
Total operating expenses	105,960	124,576	310,991	355,268
Operating income	4,852	2,525	21,419	9,511
Interest income	119	277	330	544
Interest expense	(493)	(617)	(1,327)	(1,673)
Other income (expense), net	(163)	759	2,795	(13,356)
Total non-operating income (expense)	(537)	419	1,798	(14,485)
Income (loss) before income taxes	4,315	2,944	23,217	(4,974)
Benefit (provision) for income taxes	(1,155)	(69)	(4,179)	1,990
Equity-method investment activity, net of tax	(4)	(3)	3	(16)
Net income (loss)	\$ 3,156	\$ 2,872	\$ 19,041	\$ (3,000)
Basic earnings per share	\$ 0.31	\$ 0.28	\$ 1.88	\$ (0.29)
Diluted earnings per share	\$ 0.31	\$ 0.28	\$ 1.85	\$ (0.29)
Weighted-average shares used in computation of earnings per share:				
Basic	10,132	10,191	10,103	10,178
Diluted	10,309	10,331	10,287	10,178

Cash Flow from Operating Activities (10K)

	Year Ended December 31,		
	2019	2020	2021
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD	\$ 32,173	\$ 36,410	\$ 42,377
OPERATING ACTIVITIES:			
Net income	11,588	21,331	33,364
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization of property and equipment and capitalized content costs, operating lease assets, and other	21,789	25,251	34,296
Stock-based compensation	6,864	9,208	12,757
Other operating expense (income), net	164	(71)	137
Other expense (income), net	(249)	(2,582)	(14,306)
Deferred income taxes	796	(554)	(310)
Changes in operating assets and liabilities:			
Inventories	(3,278)	(2,849)	(9,487)
Accounts receivable, net and other	(7,681)	(8,169)	(18,163)
Accounts payable	8,193	17,480	3,602
Accrued expenses and other	(1,383)	5,754	2,123
Unearned revenue	1,711	1,265	2,314
Net cash provided by (used in) operating activities	38,514	66,064	46,327

Cash Flow from Investing + Financing Activities (10K)

INVESTING ACTIVITIES:			
Purchases of property and equipment	(16,861)	(40,140)	(61,053)
Proceeds from property and equipment sales and incentives	4,172	5,096	5,657
Acquisitions, net of cash acquired, and other	(2,461)	(2,325)	(1,985)
Sales and maturities of marketable securities	22,681	50,237	59,384
Purchases of marketable securities	(31,812)	(72,479)	(60,157)
Net cash provided by (used in) investing activities	(24,281)	(59,611)	(58,154)
FINANCING ACTIVITIES:			
Proceeds from short-term debt, and other	1,402	6,796	7,956
Repayments of short-term debt, and other	(1,518)	(6,177)	(7,753)
Proceeds from long-term debt	871	10,525	19,003
Repayments of long-term debt	(1,166)	(1,553)	(1,590)
Principal repayments of finance leases	(9,628)	(10,642)	(11,163)
Principal repayments of financing obligations	(27)	(53)	(162)
Net cash provided by (used in) financing activities	(10,066)	(1,104)	6,291
Foreign currency effect on cash, cash equivalents, and restricted cash	70	618	(364)
Net increase (decrease) in cash, cash equivalents, and restricted cash	4,237	5,967	(5,900)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	\$ 36,410	\$ 42,377	\$ 36,477

Cash Flow Statement (10K)

	Year Ended December 31,		
	2019	2020	2021
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD	\$ 32,173	\$ 36,410	\$ 42,377
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CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	\$ 36,410	\$ 42,377	\$ 36,477

Negative FCF?

Cash Flow from Operating Activities (10Q)

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
	2021	2022	2021	2022	2021	2022
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD	\$ 40,667	\$ 37,700	\$ 42,377	\$ 36,477	\$ 30,202	\$ 30,177
OPERATING ACTIVITIES:						
Net income (loss)	3,156	2,872	19,041	(3,000)	26,263	11,323
Adjustments to reconcile net income (loss) to net cash from operating activities:						
Depreciation and amortization of property and equipment and capitalized content costs, operating lease assets, and other	8,948	10,204	24,494	28,776	32,112	38,578
Stock-based compensation	3,180	5,556	9,077	14,015	11,639	17,695
Other operating expense (income), net	24	123	72	460	(415)	525
Other expense (income), net	340	(1,272)	(2,374)	13,521	(3,701)	1,589
Deferred income taxes	909	(825)	3,313	(4,781)	1,677	(8,404)
Changes in operating assets and liabilities:						
Inventories	(7,059)	732	(7,572)	(5,772)	(7,242)	(7,687)
Accounts receivable, net and other	(4,890)	(4,794)	(11,607)	(13,109)	(16,168)	(19,665)
Accounts payable	3,832	(1,226)	(4,387)	(6,907)	8,863	1,082
Accrued expenses and other	(1,465)	(20)	(7,210)	(7,335)	(84)	1,998
Unearned revenue	338	54	1,394	1,711	1,727	2,631
Net cash provided by (used in) operating activities	7,313	11,404	24,241	17,579	54,671	39,665

Cash Flow from Investing + Financing Activities (10Q)

INVESTING ACTIVITIES:

Purchases of property and equipment	(15,748)	(16,378)	(42,118)	(47,053)	(56,941)	(65,988)
Proceeds from property and equipment sales and incentives	997	1,337	3,192	4,172	4,822	6,637
Acquisitions, net of cash acquired, and other	(654)	(885)	(1,604)	(7,485)	(1,985)	(7,866)
Sales and maturities of marketable securities	15,808	557	46,847	25,918	64,185	38,455
Purchases of marketable securities	(15,231)	(239)	(51,891)	(2,332)	(72,692)	(10,598)
Net cash provided by (used in) investing activities	(14,828)	(15,608)	(45,574)	(26,780)	(62,611)	(39,360)

FINANCING ACTIVITIES:

Common stock repurchased	—	—	—	(6,000)	—	(6,000)
Proceeds from short-term debt, and other	2,187	12,338	5,289	30,946	7,724	33,613
Repayments of short-term debt, and other	(1,917)	(7,916)	(5,094)	(21,757)	(7,385)	(24,416)
Proceeds from long-term debt	176	107	18,803	12,931	19,334	13,131
Repayments of long-term debt	(509)	—	(589)	(1)	(703)	(1,002)
Principal repayments of finance leases	(2,693)	(1,465)	(8,903)	(6,301)	(11,271)	(8,561)
Principal repayments of financing obligations	(20)	(48)	(115)	(186)	(124)	(233)
Net cash provided by (used in) financing activities	(2,776)	3,016	9,391	9,632	7,575	6,532
Foreign currency effect on cash, cash equivalents, and restricted cash	(199)	(1,334)	(258)	(1,730)	340	(1,836)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(10,490)	(2,522)	(12,200)	(1,299)	(25)	5,001
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	\$ 30,177	\$ 35,178	\$ 30,177	\$ 35,178	\$ 30,177	\$ 35,178

Cash Flow Statement (10Q, October 28, 2022)

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
	2021	2022	2021	2022	2021	2022
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD	\$ 40,667	\$ 37,700	\$ 42,377	\$ 36,477	\$ 30,202	\$ 30,177
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CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	\$ 30,177	\$ 35,178	\$ 30,177	\$ 35,178	\$ 30,177	\$ 35,178

} Same thing here

Recommendation?





shopify

Shopify Inc. (SHOP)

NYSE - NYSE Delayed Price. Currency in USD

☆ Add to watchlist

30.90 **-1.90 (-5.79%)** **30.90** **0.00 (0.00%)**

At close: 04:00PM EST

After hours: 07:59PM EST

Summary

Chart

Conversations

Statistics

Historical Data

Profile

Financials

Analysis

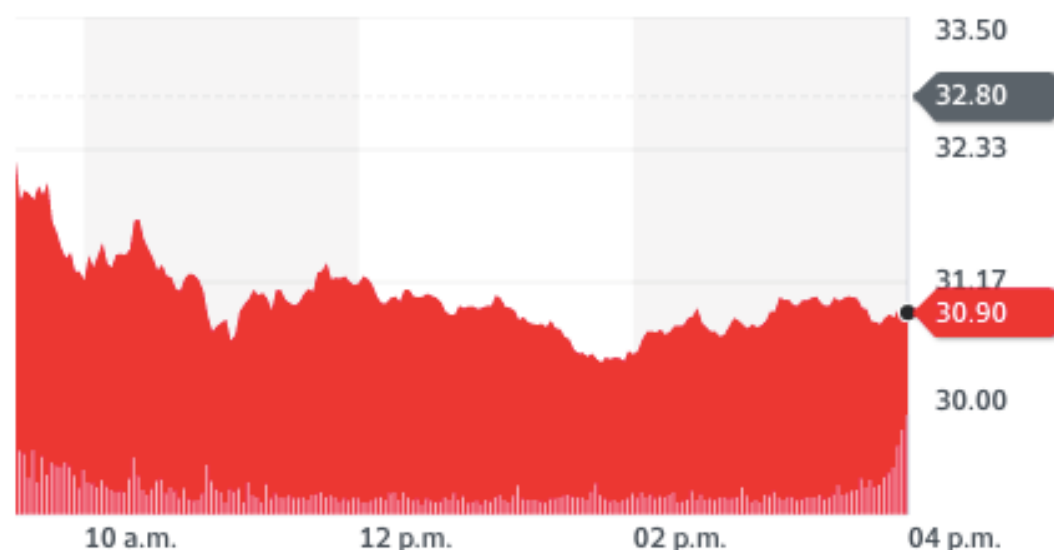
Options

Holders

Sustainability

Previous Close	32.80	Market Cap	39.308B
Open	32.03	Beta (5Y Monthly)	1.88
Bid	30.84 x 1400	PE Ratio (TTM)	237.69
Ask	30.95 x 1800	EPS (TTM)	0.13
Day's Range	30.44 - 32.39	Earnings Date	Oct 27, 2022
52 Week Range	23.63 - 176.29	Forward Dividend & Yield	N/A (N/A)
Volume	17,543,582	Ex-Dividend Date	N/A
Avg. Volume	29,307,412	1y Target Est	73.93

1D 5D 1M 6M YTD 1Y 5Y Max   Full screen



Trade prices are not sourced from all markets

Key Statistics

Valuation Measures⁴

Market Cap (intraday)	41.01B
Enterprise Value	37.37B
Trailing P/E	N/A
Forward P/E	1.43k
PEG Ratio (5 yr expected)	N/A
Price/Sales (ttm)	7.79
Price/Book (mrq)	4.72
Enterprise Value/Revenue	7.12
Enterprise Value/EBITDA	-10.95

Financial Highlights

Fiscal Year

Fiscal Year Ends	Dec 31, 2021
Most Recent Quarter (mrq)	Sept 30, 2022

Trading Information

Stock Price History

Beta (5Y Monthly)	1.88
52-Week Change ³	-77.99%
S&P500 52-Week Change ³	-17.66%
52 Week High ³	176.29
52 Week Low ³	23.63
50-Day Moving Average ³	30.43
200-Day Moving Average ³	45.31

Share Statistics

Avg Vol (3 month) ³	29.31M
Avg Vol (10 day) ³	35.62M
Shares Outstanding ⁵	1.19B
Implied Shares Outstanding ⁶	N/A
Float ⁸	1.19B

5 - Day Performance



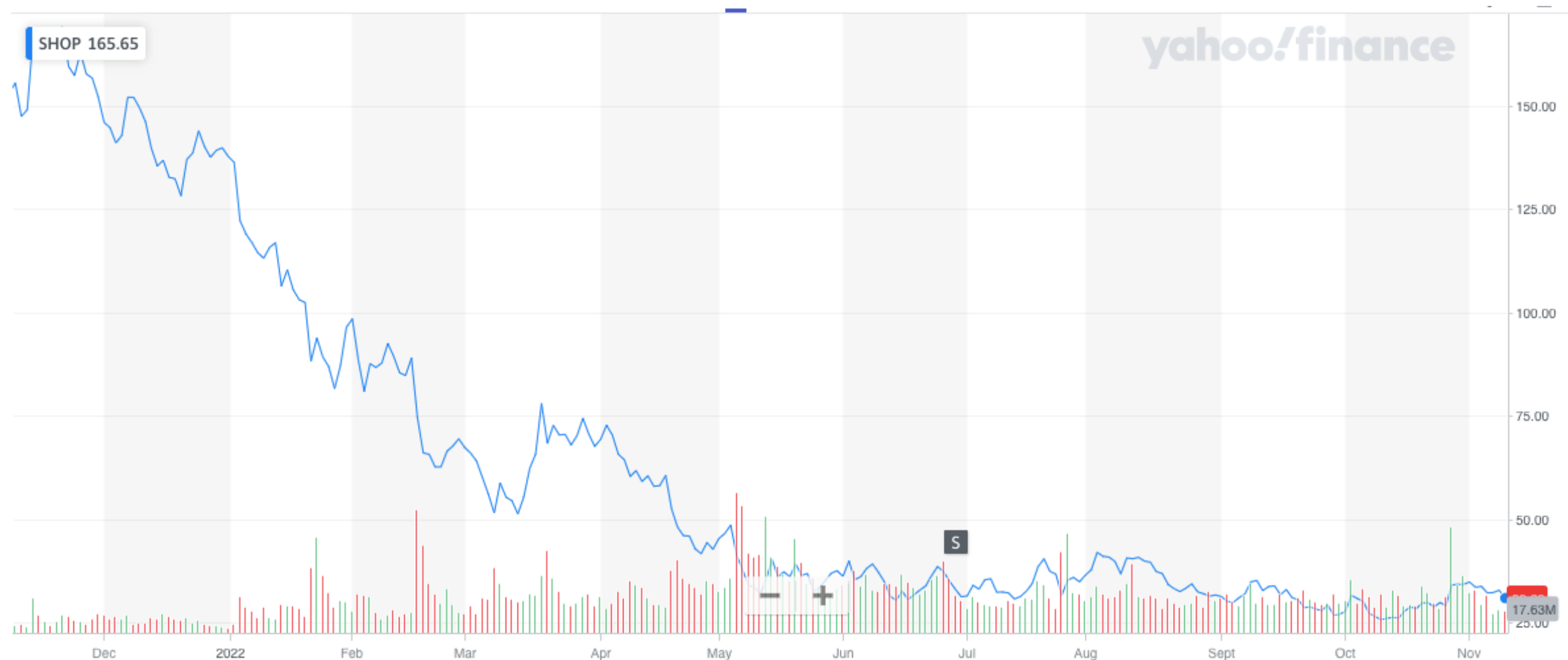
1 - Month Performance



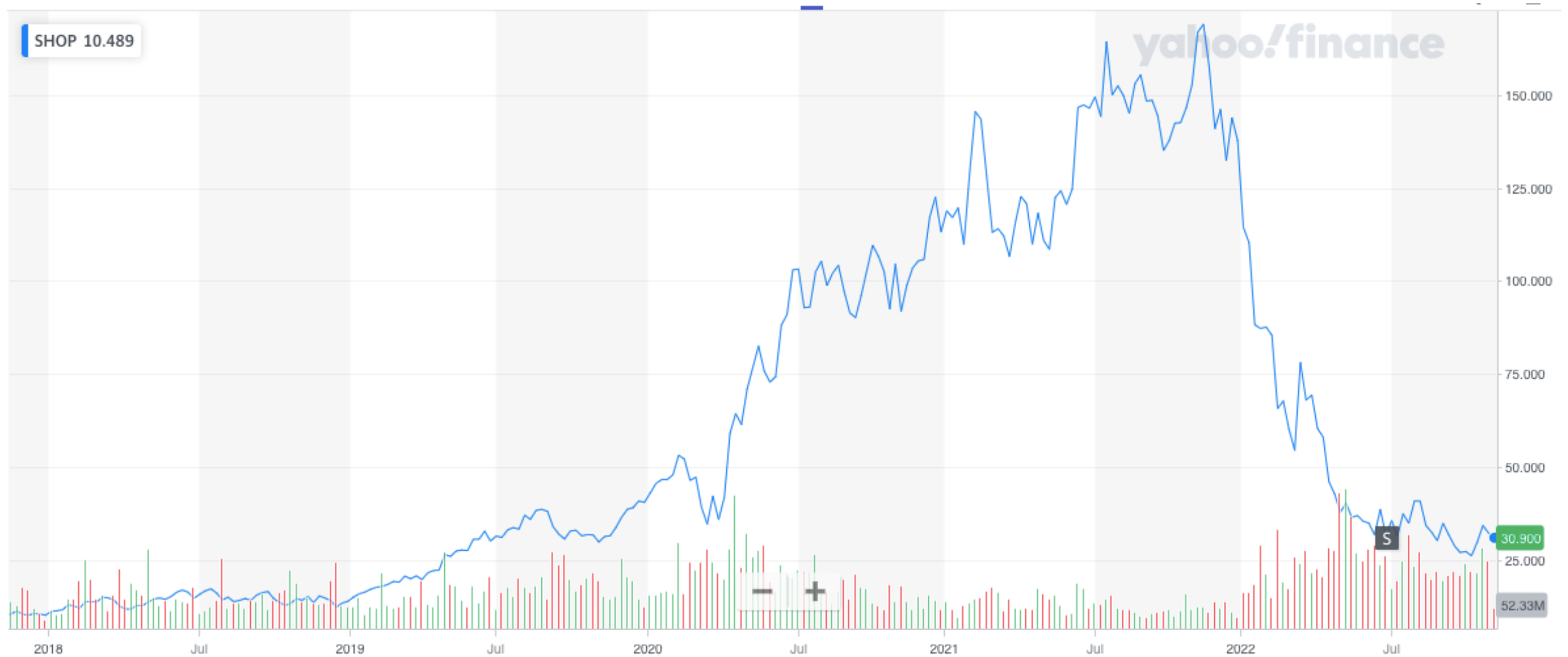
6 - Month Performance



1 - Year Performance



5 - Year Performance



Shopify at a Glance

Milestones

SHOPIFY PLATFORM RELEASED
2006

EMPLOYEES
10,000+

MERCHANTS
**millions of
merchants**

OF EXPERTS IN OUR NETWORK
780+

MERCHANTS IN
~175 Countries

APPS IN OUR APP STORE
8,000+

THEMES IN OUR THEME STORE
70

TOTAL SALES ON SHOPIFY
~\$496 Billion


2021 at a Glance

\$4.6B Revenue
up 57%
from 2020

\$175B GMV
up 47%
from 2020

 **Millions**
of Merchants

 **10,000+**
Employees

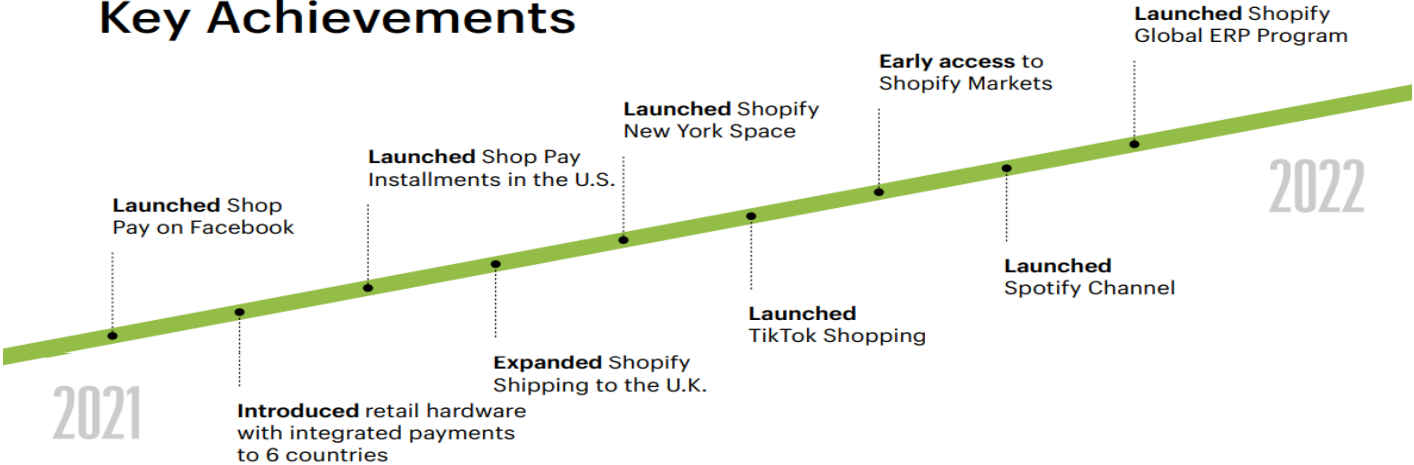
 **8,000+**
Apps in App Store

 **40,000+**
Partners who have referred at
least one merchant to Shopify
in the past 12 months

 **\$307B**
Global economic
activity enabled by
Shopify in 2020

 **+55%**
Growth in Research
& Development
from 2020

Key Achievements



Company Overview

Mission: Making Commerce better for everyone

Number of Employees: 10,000

Headquarters:

151 O'Connor Street Ground floor | Ottawa, ON | K2P 2L8 | Canada

Description:

Shopify Inc., a commerce company, provides a commerce platform and services in Canada, the United States, Europe, the Middle East, Africa, the Asia Pacific, and Latin America. The company's platform enables merchants to display, manage, market, and sell its products through various sales channels, including web and mobile storefronts, physical retail locations, pop-up shops, social media storefronts, native mobile apps, buy buttons, and marketplaces; and enables to manage products and inventory, process orders and payments, fulfill and ship orders, new buyers and build customer relationships, source products, leverage analytics and reporting, manage cash, payments and transactions, and access financing. It also sells custom themes and apps, and registration of domain names; and merchant solutions, which include accepting payments, shipping and fulfillment, and securing working capital. The company was formerly known as Jaded Pixel Technologies Inc. and changed its name to Shopify Inc. in November 2011. Shopify Inc. was incorporated in 2004 and is headquartered in Ottawa, Canada.



A brief history of Shopify

2004

Before Shopify was a platform for creating online stores, it was an online store itself. That was the original vision—when the company was created, it was never intended to be a platform for e-commerce. The site didn't even initially plan to create its own software for the e-commerce side of things.

The first iteration of Shopify (before it was called such) was an online store that sold snowboards. When Shopify was a store selling snowboards, it was called Snowdevil. When Shopify was first an e-commerce platform, it was called Jaded Pixel.

2006

Shopify as we know it today was founded in Ottawa by Tobias Lütke, Daniel Weinand, and Scott Lake.

A brief history of Shopify

2009

Retailers on Shopify's platform net a combined total of \$100 million in sales since the company's shopping cart system launched in 2007.

In 2009, the company also launched its annual Build-a-Business contest.

2010

Late in the year, Shopify raised a Series A round of financing worth \$7 million from from Bessemer Venture Partners, FirstMark Capital and Felicis Ventures. Alex Ferrara, a Bessemer partner, joined Shopify's board.

At the time, Shopify was processing \$100 million in revenue for customers.

A brief history of Shopify

2011

Less than a year later, Shopify raised a Series B round. The \$15 million flush of capital came from Bessemer Venture Partners, FirstMark Capital, Felicis Ventures, and Georgian Partners.

In 2011, 15,000 active stores across 80 countries were powered by Shopify.

2012

Profit Magazine named Shopify “Canada’s Smartest Company” in 2012. By the end of that year, Shopify—with 150 employees at the time—had grown to 40,000 stores across 90 countries selling \$740 million worth of product.

In 2012, Shopify was a finalist for Startup of the Year in the Canadian Startup Awards. Founder Lütke was a finalist for Entrepreneur of the Year.

A brief history of Shopify

2013

Despite its constantly increasing size, Shopify works hard to maintain a startup-like culture. In the summer of 2013, Shopify acquired Jet Cooper, a design and user experience agency based in Toronto, “to rapidly expand operations in Toronto, while strengthening [Shopify’s] design and UX capabilities.”

In December of 2013, Shopify raised a massive \$100 million Series C round. The round included existing investors Bessemer Venture Partners, FirstMark Capital, Felicis Ventures, and Georgian Partners, and as joined by Omers Ventures and New York’s Insight Ventures Partners. The capital was used to transition the company from being an e-commerce platform to being a commerce platform.

2014

By the start of this new year, Shopify had more than 80,000 customers who combined more than \$1.6 billion in sales in 2013. With over 300 employees, rumours of a Shopify IPO started swirling.

Shopify’s market value, by year’s end, was estimated to be \$1 billion. It had 100,000 stores and 500 employees.

A brief history of Shopify

2015

Crowned Employer of the Year in the 2014 Canadian Startup Awards, Shopify started the new year by showing off impressive numbers for 2014: 140,000 stores, \$3.7 billion in sales, and massive growth in mobile commerce. It was soon after named one of Canada's most innovative companies.

But the company's biggest news this year has been its initial public offering, which it filed for in April. The company went public in May, raising \$131 million, valuing Shopify at \$1.3 billion.

Shopify generated \$4.5 million during its first quarter as a public company, doubled from the year-ago quarter. For all of 2015, the company forecasts generating \$182 million in revenue, losing \$22 million. Shopify posted \$105 million in revenue in 2014.

Harley Finkelstein, the company's chief platform officer, told CBC News that "we want to build a company for the next 100 years," which is not common among Canadian companies, who often get acquired by larger US firms before ever approaching IPO territory.

A brief history of Shopify

2016

To merge personalized touch of offline commerce with convenience of e-commerce, Shopify introduced an integration with Facebook Messenger

2017

Shopify closed the gap between online and offline shopping with Shopify QR codes

These allowed shoppers to scan a code and directly give shoppers access to items in the merchant's online store

Integration of BuzzFeed and eBay as a channel for merchants

Powers more than 500,000 business in approximately 175 countries

Integrates DHL Express and UPS as shipping partners

A brief history of Shopify

2018

Shopify launched an integration with Google Pay on Shopify stores accelerating checkout

Enhanced back office workflow efficiencies like multi-location inventory management, fraud protection among others

Launched Shopify AR making selling with Augmented Reality accessible for small businesses

Sold 2,600,000 Class A subordinate voting shares at a price to the public of \$154.00 USD per share to strengthen its balance sheet to support further growth

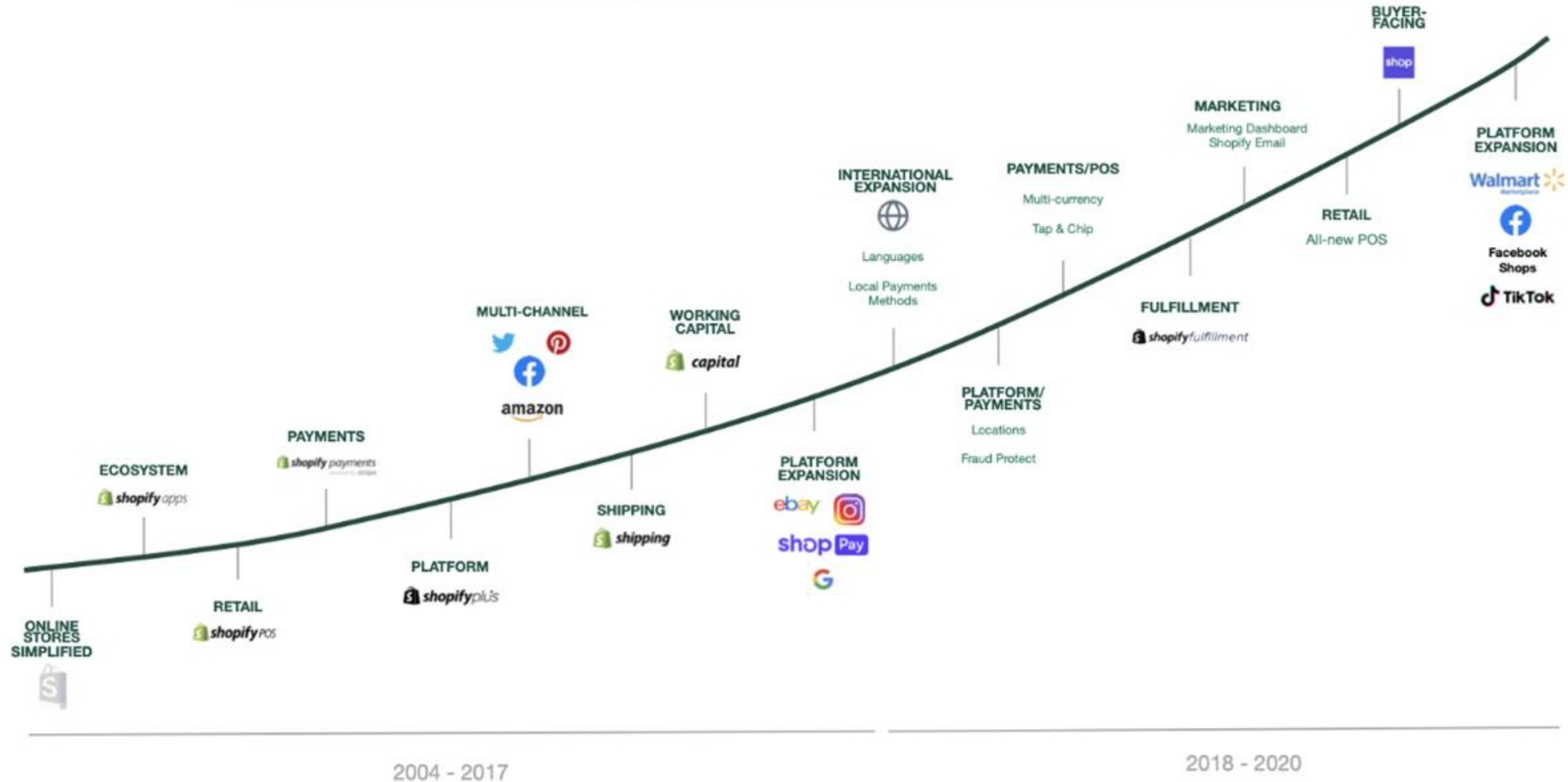
2019

Acquired 6 River Systems, a leading provider of collaborative warehouse fulfillment solution to accelerate growth of Shopify Fulfillment Network while supporting 6 River Systems to continue building and selling their solutions for warehouses

Launched Sustainability Fund to invest at least \$5 million to help reduce carbon footprint

Shopify sold 2,185,000 Class A subordinate voting shares at a price of \$317.50 USD per share to strengthen its balance sheet to support growth initiatives

Lowering Barriers, Simplifying Operations, Catalyzing Merchant Sales



Revenue Streams

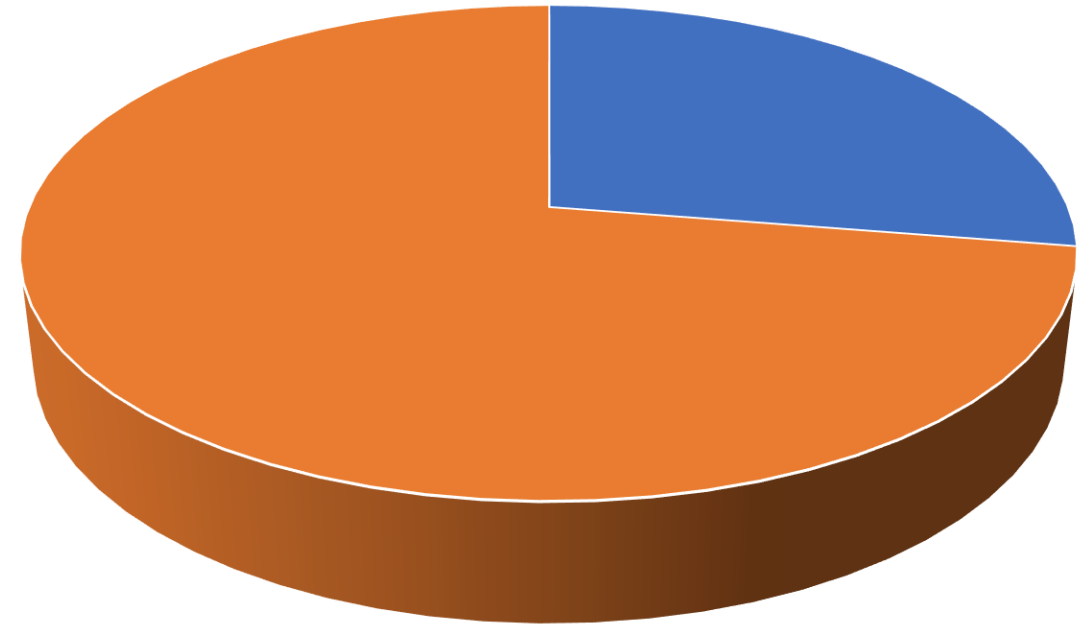
Two main revenue streams:

1) Subscription solutions:

- 27.54% of total revenue in Q3 2022

2) Merchant solutions:

- 72.46% of total revenue in Q3 2022



■ Subscription solutions ■ Merchant solutions

Subscription Solutions

Subscription solution revenues are generated from sale of subscriptions for its platform.

4 different plans:

- Basic
- Shopify
- Advanced Shopify
- Shopify Plus

Most subscribe to Basic and Shopify.

Majority of gross merchandise volume comes from Advanced and Plus

Also generate associated solutions revenues from the sale of custom themes and apps and the registration of domain names

	Basic Shopify	Shopify	Advanced Shopify	Shopify Plus
Total Price	\$29.00	\$79.00	\$299.00	\$2,000.00
Fee estimate				
Credit card rate	\$0.00 2.9% + 30¢	\$0.00 2.6% + 30¢	\$0.00 2.4% + 30¢	\$0.00 1.6% + 30¢
Transaction fee	None	None	None	None
Features Included				
Staff accounts	2	5	15	Unlimited
Numbers of products	Unlimited	Unlimited	Unlimited	Unlimited
File Storage	Unlimited	Unlimited	Unlimited	Unlimited
Shopify Shipping discount	Good	Better	Best	Outstanding

Our Market

Shopify is the entrepreneurship company for merchants of all sizes

Basic

\$29 per month

Shopify

\$79 per month

Advanced

\$299 per month

Shopify Plus

\$2,000+ per month

Entrepreneurs

SMBs

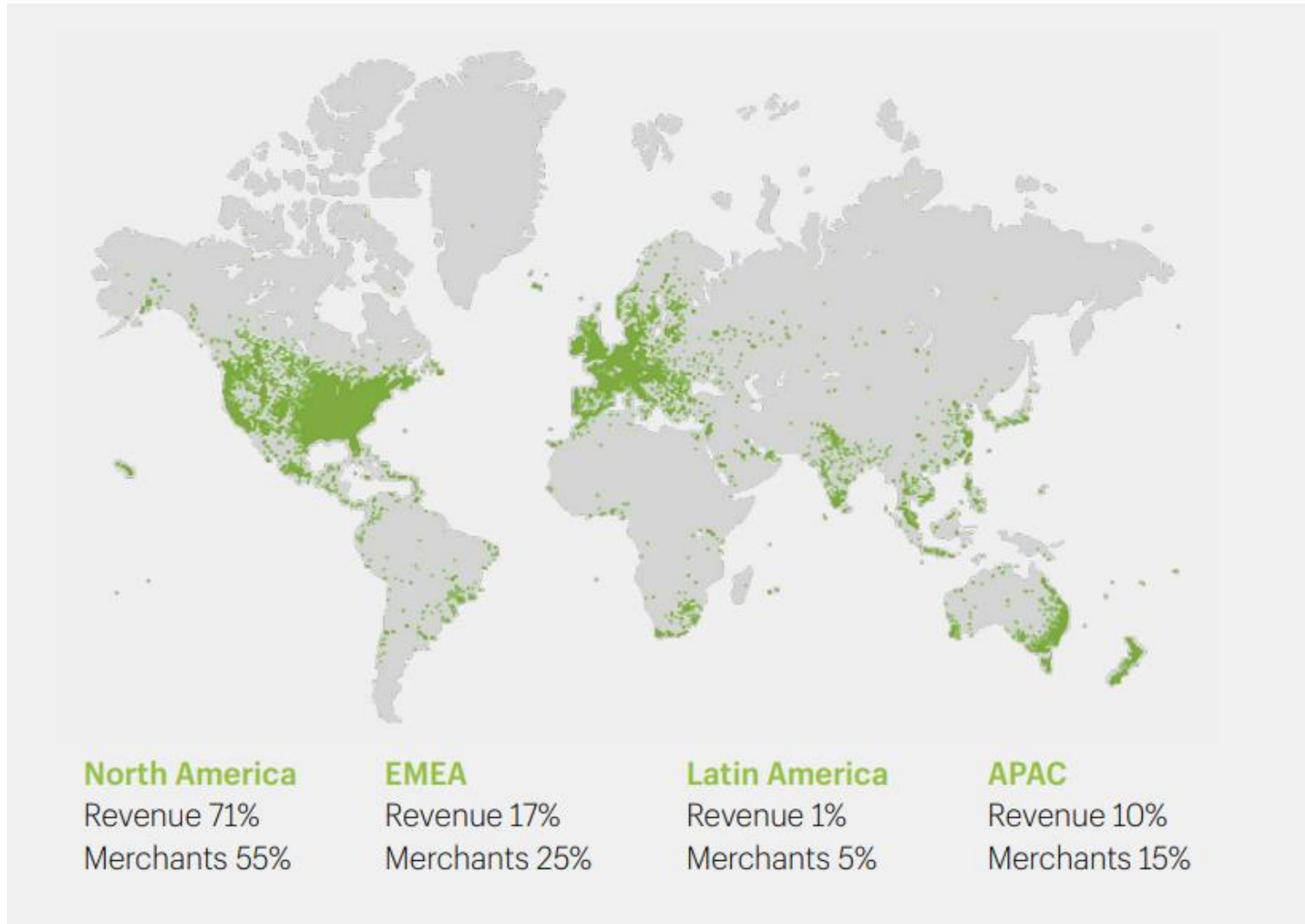
Larger Brands

Merchant Solutions

Merchant Solutions enhance the subscription with payment services (Shopify Payments), shipping (Shopify Shipping), and working capital (Shopify Capital). More than two-thirds of Shopify's merchants have enabled Shopify Payments, which eliminates the need for a third-party payment gateway.

Shopify now generates more revenue from Merchant Solutions than Subscription model

Global Presence



Shopper Growth

Shopify helped merchants reach millions of new buyers...

The growth of new buyers shopping online with a Shopify merchant remained strong as digital commerce tailwinds continued in 2021.



Added accelerated checkout, Shop Pay to Facebook and Instagram



Expansion of new retail POS hardware with integrated payments to 6 new markets



Launch of Spotify channel



Cross-border commerce with Shopify Markets (early access)

...wherever they are

Acquisitions

Shopify has completed 15 acquisitions since it was founded



Handshake



Select Start Studios



Tictail



Oberlo



Return Magic



Jet Cooper

donde



Kit



boltmade



tiny hearts

PRIMER

Helpful.com

selectstart

Deliverr



- Estimated cost of \$100 million
- Bought to continue its expansion of the services and products that merchants can sell and purchase through its platform
- Area of the e-commerce market where brands and other merchants sell items wholesale, potentially alongside retail efforts also focused on consumers
- The app allows sales reps through their mobiles to
 - Access their company's product catalog
 - Check inventory
 - Enter orders for customers
 - Check order history



Tictail is an e-commerce platform based in Sweden which lets users shop for various goods such as clothing or art from small business owners around the world.

- Tictail is engaged in providing an online marketplace enabling shoppers to discover products of around 80,000 - 125,000 brands.
- Allows customers to discover emerging designers around the world.
- Shopify continues to work on its goal of international expansion
- Tic Tac also has set up pop up shops in North America which will help Shopify's goal of setting up Brick-and mortar locations



Return Magic is a Montreal based e-commerce return solution.

Return Magic supports buyers and merchants in three key ways:

- 1) By enhancing the buyer experience
 - enhances post shopping experience which is becoming a differentiation factor such as faster shipping and free and easy returns.
- 1) By helping merchants save time
 - It automates several core, repetitive tasks such as issuing refund or gift card etc
- 1) By making it easy for retailers to set up a return system
 - It understands retailers have different needs when it comes to return and aims to address as many as possible.



Shopify completes acquisition of 6 River Systems in October 2019.

6 River Systems is flexible and scalable warehouse automation powered by collaborative robots and artificial intelligence. The solution engages associates, keeps them on task and boosts productivity by 2-3x.

Tobi Lütke, CEO of Shopify, said “With 6 River Systems, we will bring technology and operational efficiencies to companies of all sizes around the world.”

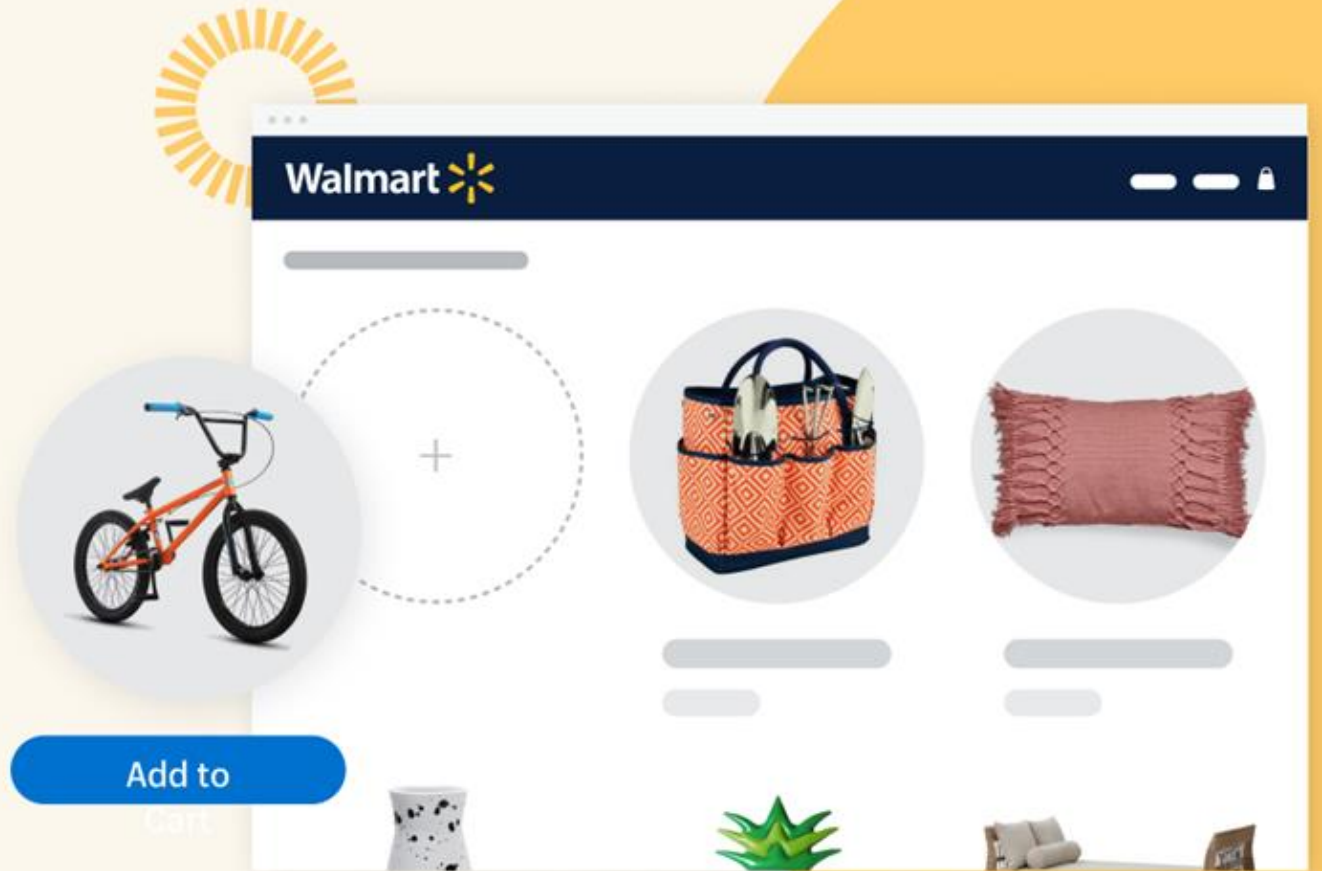


- Largest acquisition @ 2.1B USD (cash + stock)
- It will enable the company to create an “end-to-end logistics” platform for millions of merchants (CEO Tobi Lütke)
- Will combine with with Shopify Fulfillment Network (SFN) — Shopify’s fulfillment service that merchants can use to store inventory and fulfill orders — to strengthen SFN’s merchant inventory management capabilities
- Deliverr’s technology will also power Shop Promise, a new service that will provide customers two-day and next-day delivery, as well as expanded options for storage, freight, inventory preparation and returns

New Partnerships



×



Walmart Partnership 2020



Goal: Bring small businesses from Shopify to Walmart's Marketplace

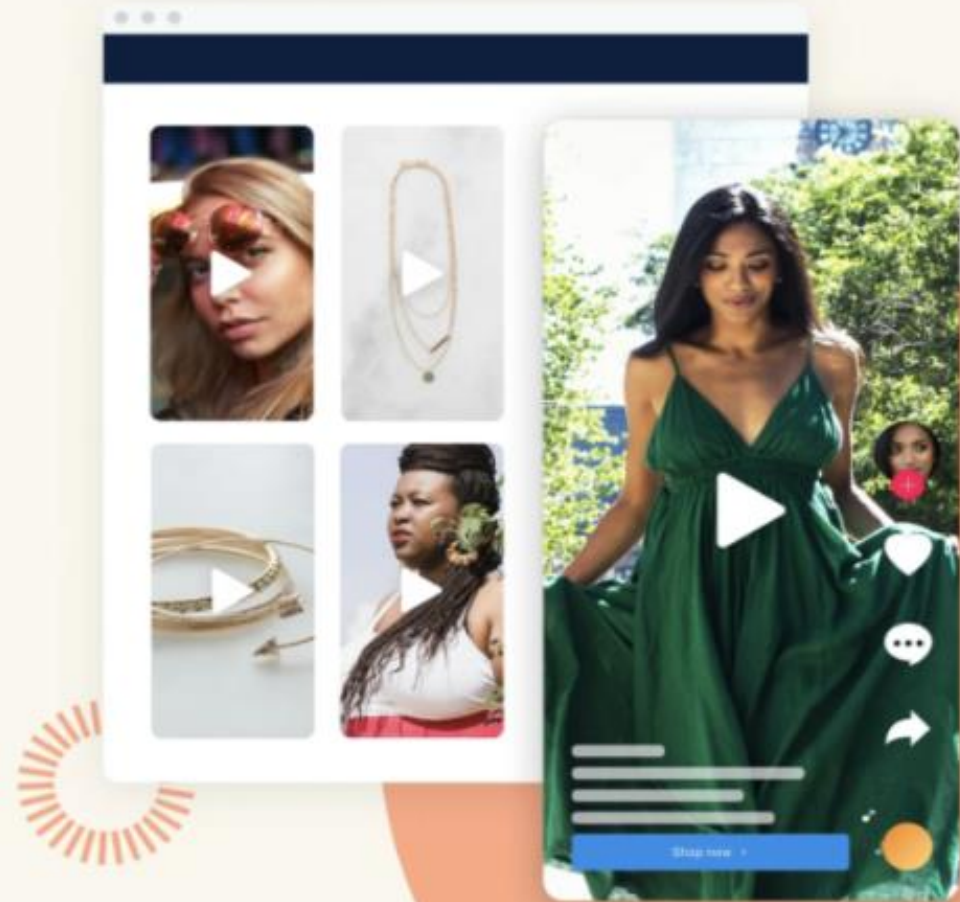
- Shopify becomes Walmart's first-ever commerce platform partner helping businesses reach shoppers and grow sales
- An estimated 1200 Shopify users will be able to display their products to Walmart's 120 million monthly visitors
- Enables Shopify merchants to get their products in front of high-intent, loyal Walmart buyers helping merchants expand their reach and drive sales

TikTok Partnership 2020



×

TikTok
For Business



TikTok Partnership

- Announced a partnership with TikTok in October 2020
- TikTok has 1 billion monthly active users (MAUs)
- First-of-its-kind commerce partnership bringing the world's leading destination for short form video to Shopify's more than one million merchants
- TikTok channel allows merchants to create and connect their TikTok For Business account and deploy In-Feed shoppable video ads within Shopify

Shopify Cannabis Play

Shopify's platform was widely adopted for online sales of recreational marijuana, which Canada legalized on Oct 17, 2018.

Government run websites in several provinces including Ontario and British Columbia use Shopify's platform.

Most of the big licensed producers in the Cannabis market, Canopy Growth Corp, Aurora Cannabis Inc and HEXO Corp. all use Shopify's point of sale system.

Shopify Cannabis Play

Shopify can capture the part of the Cannabis legalization due to its perfect position.

In Canada, government is giving out licenses to only a handful of players and billions pouring into this market likely means that Canada's cannabis industry will evolve into an oligopoly like Big Tobacco.

Canada's market is dwarfed in comparison to North American market which is estimated \$45 billion today and expected to be worth \$200 billion by 2030.

Already has a market presence in US with ~7200 US ecommerce business using Shopify.

Management Team

Tobias Lütke, Founder, Chief Executive Officer

Harley Finkelstein, President

Jeff J. Hoffmeister, Chief Financial Officer

Kaz Nejatian, Chief Operating Officer, VP of Product

Allan Leinwand, Chief Technology Officer

John Asante, Chief Information Security Officer

Tobias Lütke, Founder, Chief Executive Officer

Tobi and founding team launched the Shopify platform in 2006. He has served as CEO since 2008 at the company's headquarters in Ottawa, Canada

He has been part of the core team of the Ruby on Rails framework

Began rewriting the code of the games he played and modifying computer hardware as a hobby at 12 years old

Dropped out of school and entered an apprenticeship program at the Koblenzer Carl-Benz-School to become a computer programmer after tenth grade.



Harley Finkelstein, President

Been with the company since 2010. He oversees Shopify's commercial teams, growth & external affairs.

Bachelor degree in Economics from Concordia University.

J.D./M.B.A. joint degree in Law and Business from the University of Ottawa.

Former Shopify COO.

Founded numerous startups and ecommerce companies



Jeff J. Hoffmeister, Chief Financial Officer

Joined in September 2022

Previously worked in Morgan Stanley for over 22 years

Jeff has significant experience leading high-profile tech companies in a variety of transactions

Jeff helped lead IPOs for dozens of companies, including Shopify.

Georgetown University (BSBA Finance)

University of Virginia (MBA)



Allan Leinwand, Chief Technology Officer

CTO at Shopify, joining in 2021 to lead the engineering teams

Previously Senior Vice President of Engineering at Slack from pre-IPO, transforming the way work gets done for hundreds of thousands of companies and tens of millions of users

Previously, was CTO at ServiceNow, and has co-founded and held senior leadership positions at multiple companies and was also a venture capital investor for seven years.

Previously served as an adjunct professor at the University of California, Berkeley where he taught on the subjects of computer networks, network management and network design

BSc in Computer Science from the University of Colorado at Boulder



John Asante, Chief Information Security Officer

Chief Information Security Officer at Shopify since 2021

Leads Shopify's Trust organization, overseeing the company's efforts in cybersecurity, fraud, abuse, and privacy

Previously at Google, where he led the Cloud Security & Trust Center.

Previously was Vice President, Global Head of Cyber Defense at Visa where he was responsible for the operational defense of the world's largest payment system

Co-founded the client facing incident response group at Microsoft, and has a track record of innovative security engineering and successful defense at other high-profile organizations, including Nike, Mastercard, and the US Department of Defense

Bachelors in Geographic Information Science and Cartography at University of Washington



Kaz Nejatian

Chief Operating Officer and VP Product, Promoted from Vice President of Merchant Services in September 2022.

Was Lead Product Manager at Facebook for 2 years. Has been with Shopify since September 2019

Oversees global business operations, revenue and sales functions, as well as Shopify's talent and customer support strategies.

University of Toronto



Management Compensation

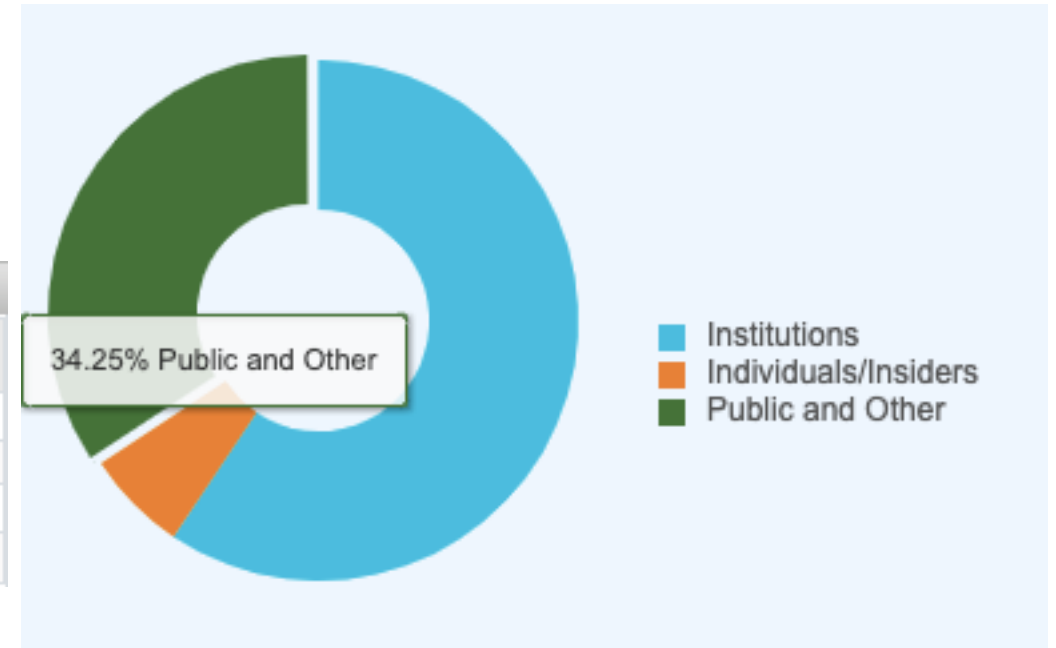
<u>Name</u>	<u>Title</u> <u>Sort by Rank</u>	<u>FY 2021 (USD)</u> ▼
Shapero, Amy E. (Prior)	Former Chief Financial Officer	610,127
Lemleux, Jean-Michel (Prior)	Former Chief Technology Officer	552,160
Shannan, Toby	Special Advisor	512,720
Finkelstein, Harley	President	473,280
Leinwand, Allan	Chief Technology Officer	212,500

CEO Compensation

Name and Principal Position	Year	Salary⁽¹⁾ (\$)	Share-based Awards⁽²⁾ (\$)	Option-based Awards⁽³⁾ (\$)	Annual incentive plans (\$)	Long-term incentive plans (\$)	Pension Value⁽⁵⁾ (\$)	All Other Compensation⁽⁶⁾ (\$)	Total Compensation (\$)
Tobias Lütke CEO	2021	1	—	20,000,457	—	—	—	—	20,000,458
	2020	104,721	—	15,000,456	—	—	—	—	15,105,177
	2019	615,920	—	10,000,032	—	—	—	—	10,615,952

Share Ownership Summary

Ownership Summary			
Type	Common Stock Equivalent Held	% of Total Shares Outstanding	Market Value (USD In mm) ²
Institutions ⁵	755,699,756	59.41	24,295.8
Individuals/Insiders	80,745,601	6.35	2,596.0
Public and Other ³	435,643,929	34.25	14,006.0
Total	1,272,089,286	100.00 ⁶	40,897.7



Top Holders View All ¹				
Holder	Common Stock Equivalent Held	% of Total Shares Outstanding	Market Value (USD In mm) ²	Position Date
Lütke, Tobias	79,267,191	6.23	2,548.4	Jun-28-2022
Capital Research and Management Company	68,973,017	5.42	2,217.5	Jun-30-2022
Morgan Stanley Investment Management Inc.	68,524,354	5.39	2,203.1	Jun-30-2022
Baillie Gifford & Co.	64,511,049	5.07	2,074.0	Sep-30-2022
Klister Credit Corp.	37,500,000	2.95	1,205.6	Jun-28-2022

Institutional Ownership Details

Institutional Ownership Details By: Owner Type ▼					
Type	Common Stock Equivalent Held	% of Inst. Ownership	% of Total Shares Outstanding	Market Value (USD in mm) ²	Number Of Holders
Traditional Investment Managers	580,279,406	76.79	45.62	18,656.0	762
Hedge Fund Managers (<5% stake)	85,545,424	11.32	6.72	2,750.3	104
VC/PE Firms (<5% stake)	38,403,340	5.08	3.02	1,234.7	9
Government Pension Sponsors	20,481,031	2.71	1.61	658.5	17
Banks/Investment Banks	20,036,671	2.65	1.58	644.2	58
Family Offices/Trusts	5,578,870	0.74	0.44	179.4	237
Sovereign Wealth Funds (<5% stake)	2,469,400	0.33	0.19	79.4	4
Educational/Cultural Endowments	1,869,500	0.25	0.15	60.1	2
Corporate Pension Sponsors	510,130	0.07	0.04	16.4	3
Insurance Companies	465,767	0.06	0.04	15.0	3
REITs	27,206	0.00	0.00	0.9	3
Charitable Foundations	8,000	0.00	0.00	0.3	1
Unclassified	25,011	0.00	0.00	0.8	3
Total	755,699,756	100.00	59.41	24,295.8	1,206

Ownership Activity

Ownership Activity		
Institutions		
Mar-31-2022 To Jun-30-2022	Holders	Common Stock Equivalent Held
Total Positions	1,245	751,384,106
New Positions	133	26,673,455
Increased Positions	466	73,825,334
Decreased Positions	372	(147,499,015)
Sold Out Positions	321	(20,608,248)
Individuals/Insiders		
Mar-31-2022 To Jun-30-2022	Holders	Common Stock Equivalent Held
Total Positions	9	80,686,341
New Positions	1	1,470
Increased Positions	7	409,851
Decreased Positions	-	-
Sold Out Positions	-	-

Balance Sheet: 10-Q (Assets)

	As at	
	September 30, 2022	December 31, 2021
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,378,251	2,502,992
Marketable securities	3,563,181	5,265,101
Trade and other receivables, net	241,183	192,209
Merchant cash advances, loans and related receivables, net	666,053	470,722
Income taxes receivable	11,996	5,023
Other current assets	152,322	103,273
	6,012,986	8,539,320
Long-term assets		
Property and equipment, net	128,461	105,526
Right-of-use assets, net	349,740	196,388
Intangible assets, net	410,819	138,496
Deferred tax assets	43,250	48,369
Equity and other investments (\$1,180,067 and \$3,412,166, carried at fair value)	2,421,747	3,955,545
Goodwill	1,836,282	356,528
	5,190,299	4,800,852
Total assets	11,203,285	13,340,172

Balance Sheet: 10-Q (Liabilities and Shareholder's Equity)

Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	596,114	456,688
Income taxes payable	4,458	13,505
Deferred revenue	287,625	216,792
Lease liabilities	17,024	15,748
	<u>905,221</u>	<u>702,733</u>
Long-term liabilities		
Deferred revenue	299,625	162,932
Lease liabilities	369,131	246,776
Convertible senior notes	912,724	910,963
Deferred tax liabilities	23,576	183,427
	<u>1,605,056</u>	<u>1,504,098</u>
Commitments and contingencies		
Shareholders' equity		
Common stock, unlimited Class A subordinate voting shares authorized, 1,190,042,395 and 1,139,544,920, issued and outstanding; unlimited Class B restricted voting shares authorized, 81,975,651 and 119,426,670 issued and outstanding; 1 Founder share authorized, 1 and nil issued and outstanding ⁽¹⁾ (2)	8,653,011	8,040,099
Additional paid-in capital	(23,409)	161,074
Accumulated other comprehensive loss	(38,012)	(5,974)
Retained earnings	<u>101,418</u>	<u>2,938,142</u>
Total shareholders' equity	<u>8,693,008</u>	<u>11,133,341</u>
Total liabilities and shareholders' equity	<u><u>11,203,285</u></u>	<u><u>13,340,172</u></u>

Balance Sheet: 10-K (Assets)

	Note	As at	
		December 31, 2021	December 31, 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	4	2,502,992	2,703,597
Marketable securities	5	5,265,101	3,684,370
Trade and other receivables, net	7	192,209	120,752
Merchant cash advances, loans and related receivables, net	8	470,722	244,723
Income taxes receivable	21	5,023	56,067
Other current assets	9	103,273	68,247
		<u>8,539,320</u>	<u>6,877,756</u>
Long-term assets			
Property and equipment, net	10, 23	105,526	92,104
Right-of-use assets, net	11	196,388	119,373
Intangible assets, net	12	138,496	135,676
Deferred tax assets	21	48,369	52,677
Equity and other investments (including \$3,412,166 and \$nil, carried at fair value)	5, 6	3,955,545	173,454
Goodwill	13	356,528	311,865
		<u>4,800,852</u>	<u>885,149</u>
Total assets		<u>13,340,172</u>	<u>7,762,905</u>

Balance Sheet: 10-K (Liabilities and Shareholder's Equity)

Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	14	456,688	300,795
Income taxes payable	21	13,505	19,677
Deferred revenue	15	216,792	107,809
Lease liabilities	11	15,748	10,051
		<u>702,733</u>	<u>438,332</u>
Long-term liabilities			
Deferred revenue	15	162,932	21,006
Lease liabilities	11	246,776	144,836
Convertible senior notes	3, 16	910,963	758,008
Deferred tax liabilities	21	183,427	—
		<u>1,504,098</u>	<u>923,850</u>
Commitments and contingencies	11, 18		
Shareholders' equity			
Common stock, unlimited Class A subordinate voting shares authorized, 113,954,492 and 110,929,570, issued and outstanding; unlimited Class B multiple voting shares authorized, 11,942,667 and 11,599,301 issued and outstanding	19	8,040,099	6,115,232
Additional paid-in capital		161,074	261,436
Accumulated other comprehensive (loss) income	20	(5,974)	8,770
Retained earnings		2,938,142	15,285
Total shareholders' equity		<u>11,133,341</u>	<u>6,400,723</u>
Total liabilities and shareholders' equity		<u>13,340,172</u>	<u>7,762,905</u>

Income Statement: 10-K

	Note	Years ended	
		December 31, 2021	December 31, 2020
		\$	\$
Revenues			
Subscription solutions	23	1,342,334	908,757
Merchant solutions	23	3,269,522	2,020,734
		4,611,856	2,929,491
Cost of revenues			
Subscription solutions		264,351	193,532
Merchant solutions		1,866,361	1,194,439
		2,130,712	1,387,971
Gross profit		2,481,144	1,541,520
Operating expenses			
Sales and marketing		901,557	602,048
Research and development		854,383	552,127
General and administrative	10, 11	374,844	245,343
Transaction and loan losses		81,717	51,849
Total operating expenses		2,212,501	1,451,367
Income from operations		268,643	90,153
Other income, net			
Interest income		15,356	23,434
Interest expense	16	(3,493)	(9,085)
Net unrealized gain on equity and other investments	6	2,859,800	135,193
Foreign exchange gain		286	669
Total other income, net		2,871,949	150,211
Income before income taxes		3,140,592	240,364
(Provision for) recovery of income taxes	21	(225,933)	79,145
Net income		2,914,659	319,509
Net income per share attributable to shareholders:			
Basic	22	\$ 23.38	\$ 2.67
Diluted	22	\$ 22.90	\$ 2.59
Weighted average shares used to compute net income per share attributable to shareholders:			
Basic	22	124,658,891	119,569,705
Diluted	22	127,364,735	123,463,274
Other comprehensive (loss) income			
Unrealized (loss) gain on cash flow hedges	20	(20,061)	10,510
Tax effect on unrealized (loss) gain on cash flow hedges	20	5,317	(2,786)
Total other comprehensive (loss) income		(14,744)	7,724
Comprehensive income		2,899,915	327,233

Income Statement: 10-Q

	Three months ended	
	September 30, 2022	September 30, 2021
	\$	\$
Revenues		
Subscription solutions	376,301	336,208
Merchant solutions	989,899	787,532
	<u>1,366,200</u>	<u>1,123,740</u>
Cost of revenues		
Subscription solutions	82,313	67,355
Merchant solutions	621,555	447,476
	<u>703,868</u>	<u>514,831</u>
Gross profit	<u>662,332</u>	<u>608,909</u>
Operating expenses		
Sales and marketing	302,476	237,949
Research and development	412,359	221,028
General and administrative	255,125	128,722
Transaction and loan losses	37,738	25,311
Total operating expenses	<u>1,007,698</u>	<u>613,010</u>

	Three months ended	
	September 30, 2022	September 30, 2021
	\$	\$
(Loss) income from operations	<u>(345,366)</u>	<u>(4,101)</u>
Other income (expense), net	<u>188,233</u>	<u>1,344,553</u>
(Loss) income before income taxes	<u>(157,133)</u>	<u>1,340,452</u>
(Provision for) recovery of income taxes	<u>(1,276)</u>	<u>(192,020)</u>
Net (loss) income	<u>(158,409)</u>	<u>1,148,432</u>
Other comprehensive loss	<u>(28,895)</u>	<u>(9,193)</u>
Comprehensive (loss) income	<u>(187,304)</u>	<u>1,139,239</u>

the problem is the company's investments in **Affirm Holdings** and **Global-E Online**, which have both taken a hit and reversed their massive gains from 2021.

Cash Flows Statement: 10-K (Operating activities)

	Note	Years ended	
		December 31, 2021	December 31, 2020
		\$	\$
Cash flows from operating activities			
Net income for the year		2,914,659	319,509
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization and depreciation		66,308	70,060
Stock-based compensation	19	330,763	246,940
Amortization of debt offering costs	16	2,343	8,756
Impairment of right-of-use assets and leasehold improvements	10, 11	30,145	31,623
Provision for transaction and loan losses		43,781	27,282
Deferred income tax expense (recovery)	21, 25	190,963	(44,801)
Revenue related to non-cash consideration	25	(58,380)	(3,814)
Net unrealized gain on equity and other investments	6	(2,859,800)	(135,193)
Unrealized foreign exchange loss (gain)		4,570	(1,689)
Changes in operating assets and liabilities:			
Trade and other receivables		(72,300)	(29,146)
Merchant cash advances, loans and related receivables		(266,077)	(112,721)
Other current assets		(50,151)	(11,404)
Non-cash consideration received in exchange for services	6	(268,058)	(24,710)
Accounts payable and accrued liabilities		138,175	118,588
Income taxes receivable and payable	25	45,263	(103,087)
Deferred revenue	25	309,289	69,969
Lease assets and liabilities		2,935	(1,204)
Net cash provided by operating activities		504,428	424,958

Cash Flows Statement: 10-K (Investing and Financing activities)

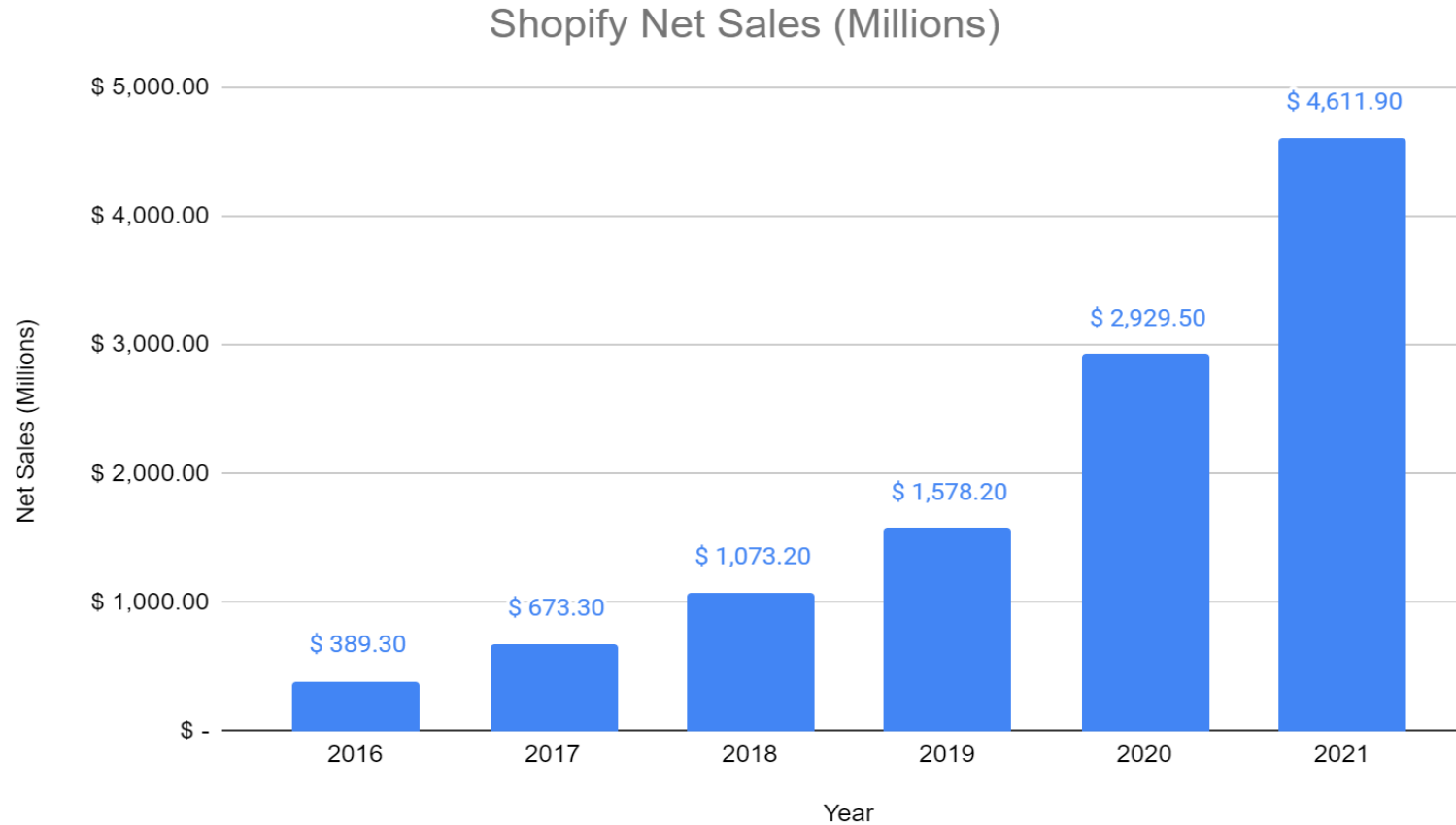
Cash flows from investing activities			
Purchase of marketable securities		(7,337,366)	(5,600,207)
Maturity of marketable securities		5,750,224	3,721,405
Purchase of equity and other investments	6	(650,233)	(11,051)
Acquisitions of property and equipment		(50,788)	(41,733)
Acquisition of businesses, net of cash acquired	24	(59,627)	—
Acquisitions of intangible assets		—	(262)
Net cash used in investing activities		(2,347,790)	(1,931,848)
Cash flows from financing activities			
Proceeds from public equity offerings, net of issuance costs	19	1,541,168	2,578,591
Proceeds from the exercise of stock options		108,594	70,809
Proceeds from convertible senior notes, net of underwriting fees and offering costs	16	—	907,950
Net cash provided by financing activities		1,649,762	3,557,350
Effect of foreign exchange on cash and cash equivalents		(7,005)	3,221
Net (decrease) increase in cash and cash equivalents		(200,605)	2,053,681
Cash and cash equivalents – Beginning of Year		2,703,597	649,916
Cash and cash equivalents – End of Year		2,502,992	2,703,597

Cash Flows Statement: 10-Q (Operating activities)

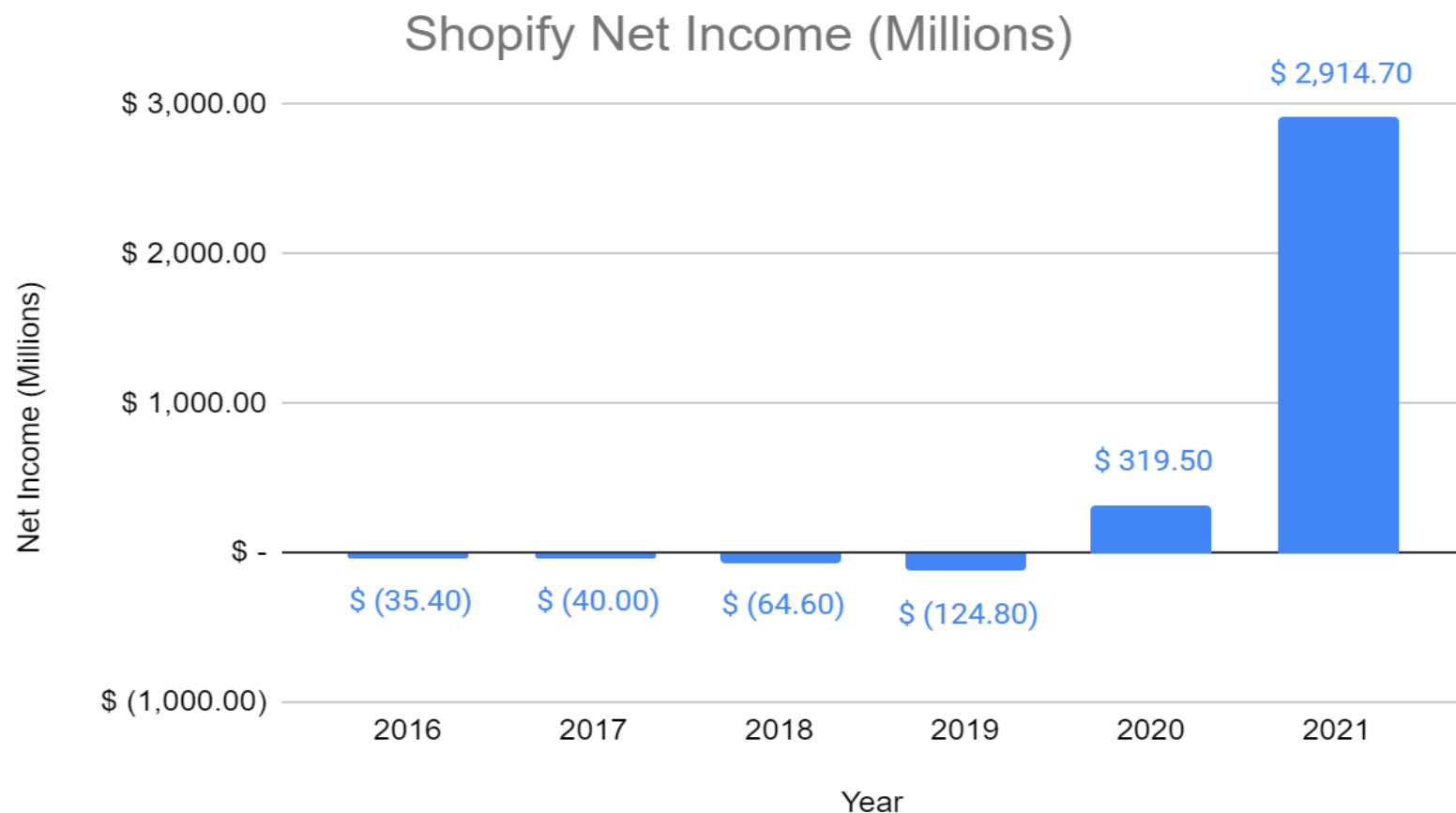
	Nine months ended	
	September 30, 2022	September 30, 2021
	\$	\$
Cash flows from operating activities		
Net (loss) income for the period	(2,836,724)	3,285,970
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Amortization and depreciation	60,698	44,067
Stock-based compensation	407,398	232,454
Amortization of debt offering costs	1,761	1,756
Impairment of right-of-use assets and leasehold improvements	—	30,145
Provision for transaction and loan losses	53,562	25,723
Deferred income tax (recovery) expense	(181,230)	306,849
Revenue related to non-cash consideration	(86,547)	(37,425)
Net loss (gain) on equity and other investments	2,443,295	(3,369,535)
Unrealized foreign exchange loss	25,948	3,741
Changes in operating assets and liabilities:		
Trade and other receivables	(75,388)	(30,267)
Merchant cash advances, loans and related receivables	(247,976)	(307,245)
Other current assets	(44,619)	(27,301)
Non-cash consideration received in exchange for services	(273,201)	(257,577)
Accounts payable and accrued liabilities	96,947	39,392
Income taxes receivable and payable	(17,671)	13,593
Deferred revenue	294,073	286,946
Lease assets and liabilities	(12,159)	2,684
Net cash (used in) provided by operating activities	(391,833)	243,970

Cash Flows Statement: 10-Q (Investing and Financing activities)

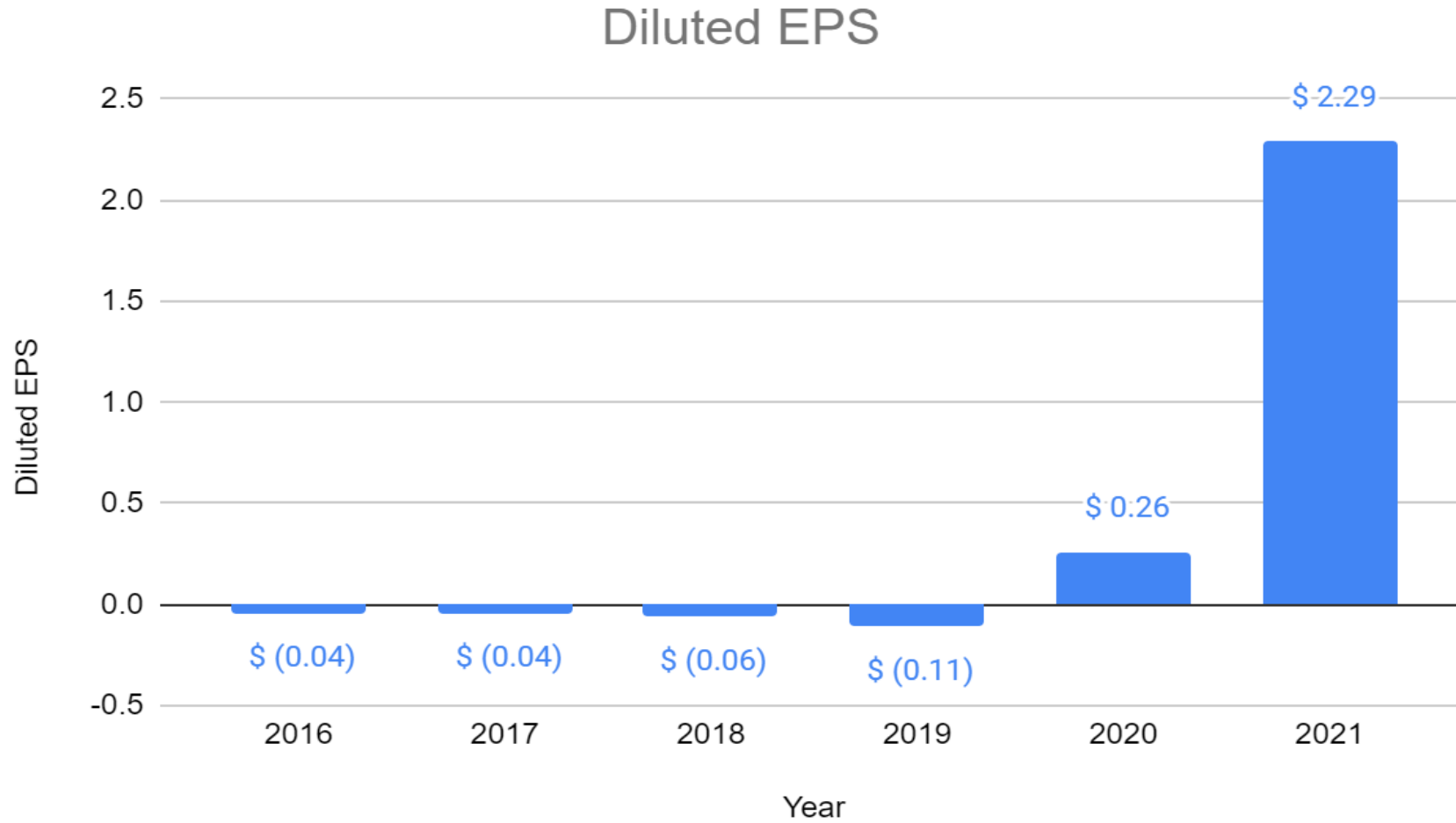
Cash flows from investing activities		
Purchase of marketable securities	(3,568,229)	(5,616,479)
Maturity of marketable securities	5,273,944	3,965,755
Purchase of equity and other investments	(630,135)	(642,566)
Acquisitions of property and equipment	(42,394)	(24,813)
Acquisition of businesses, net of cash acquired	(1,753,748)	(49,800)
Net cash used in investing activities	<u>(720,562)</u>	<u>(2,367,903)</u>
Cash flows from financing activities		
Proceeds from public equity offerings, net of issuance costs	—	1,541,168
Proceeds from the exercise of stock options	11,257	72,444
Net cash provided by financing activities	<u>11,257</u>	<u>1,613,612</u>
Effect of foreign exchange on cash and cash equivalents	(23,603)	(3,663)
Net decrease in cash and cash equivalents	<u>(1,124,741)</u>	<u>(513,984)</u>
Cash and cash equivalents – Beginning of Period	2,502,992	2,703,597
Cash and cash equivalents – End of Period	<u>1,378,251</u>	<u>2,189,613</u>



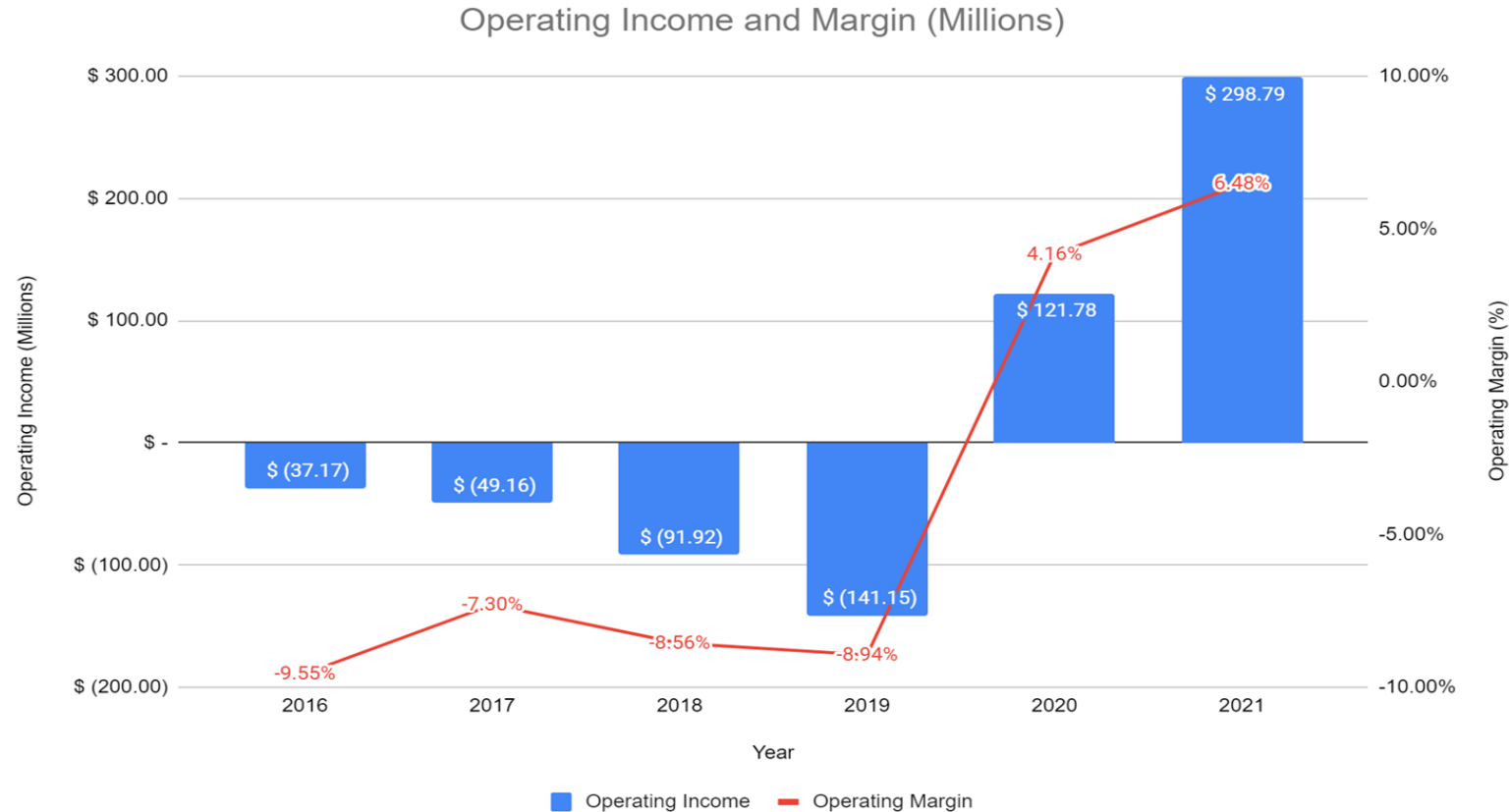
- Shopify revenue for the quarter ending September 30, 2022 was **\$1.366B**, a **21.58% increase** year-over-year.
- Shopify revenue for the twelve months ending September 30, 2022 was **\$5.245B**, a **24.59% increase** year-over-year.
- Shopify annual revenue for 2021 was **\$4.612B**, a **57.43% increase** from 2020.



- Shopify net income for the quarter ending September 30, 2022 was **\$-0.158B**, a **113.79% decline** year-over-year.
- Shopify net income for the twelve months ending September 30, 2022 was **\$-3.208B**, a **194.08% decline** year-over-year.
- Shopify annual net income for 2021 was **\$2.915B**, a **812.23% increase** from 2020.



- Shopify EPS for the quarter ending September 30, 2022 was **\$-0.12**, a **113.33% decline** year-over-year.
- Shopify EPS for the twelve months ending September 30, 2022 was **\$-2.53**, a **194.31% decline** year-over-year.
- Shopify 2021 annual EPS was **\$2.29**, a **784.17% increase** from 2020.



- Shopify operating income for the quarter ending September 30, 2022 was **\$-0.345B**, a **8321.51% increase** year-over-year.
- Shopify operating income for the twelve months ending September 30, 2022 was **\$-0.619B**, a **268.81% decline** year-over-year.
- Shopify annual operating income for 2021 was **\$0.269B**, a **197.99% increase** from 2020.

Key Takeaways

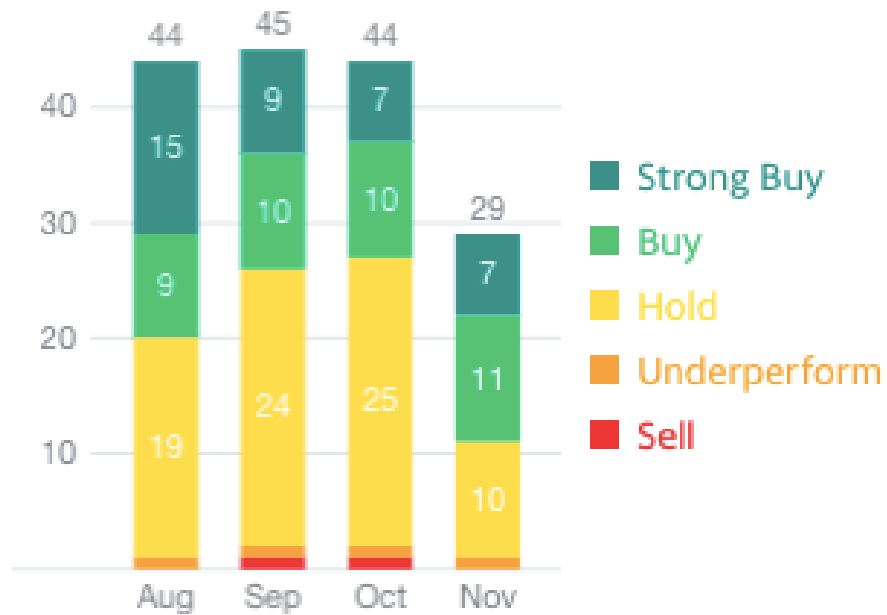
Shopify was at a crossroads. It could have sat back and enjoyed the small empire it had built and started focusing on profitability. Or it could follow the playbook **Amazon** established over the 2000s and 2010s: Spend free cash flow, at times nearly all of it, to promote *more* expansion. Shopify has chosen option two.

Sales and marketing expenses are up 62% through the first half of this year, and research and development is up 81%.

also gearing up for a big push into logistics and order fulfillment with the buildout of Shopify Fulfillment Network (which will ramp up next year) and the acquisition of Deliverr.

Recommendation

- Continued growth potential with Cannabis legalization
- Recurring subscription and revenue growth
- Investing in R&D and Marketing
- Market down due to recession



ebaytm

EBAY Stock Overview

eBay Inc. (EBAY)

NasdaqGS - NasdaqGS Real Time Price. Currency in USD

★ Add to watchlist

40.57 **-1.03 (-2.48%)** **40.60** **+0.03 (+0.07%)**

At close: 04:00PM EST

After hours: 07:11PM EST

- Summary
- Chart
- Conversations
- Statistics
- Historical Data
- Profile
- Financials
- Analysis
- Options
- Holders
- Sustainability

Previous Close	41.60	Market Cap	22.016B
Open	41.35	Beta (5Y Monthly)	1.25
Bid	40.61 x 800	PE Ratio (TTM)	2.19
Ask	40.57 x 1800	EPS (TTM)	18.50
Day's Range	40.49 - 41.46	Earnings Date	Nov 02, 2022
52 Week Range	35.92 - 76.58	Forward Dividend & Yield	0.88 (2.20%)
Volume	5,208,096	Ex-Dividend Date	Nov 30, 2022
Avg. Volume	5,835,025	1y Target Est	46.76



5 - Day Performance

40.57 **-1.03 (-2.48%)** **40.60** **+0.03 (+0.07%)**

At close: 04:00PM EST

After hours: 07:11PM EST

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1 - Month Performance

40.57

-1.03 (-2.48%)

40.60

+0.03 (+0.07%)

At close: 04:00PM EST

After hours: 07:11PM EST

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6 - Month Performance

40.57 **-1.03 (-2.48%)** **40.60** **+0.03 (+0.07%)**

At close: 04:00PM EST

After hours: 07:11PM EST

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1 - Year Performance

40.57 **-1.03 (-2.48%)** **40.60** **+0.03 (+0.07%)**

At close: 04:00PM EST

After hours: 07:11PM EST

[Summary](#) **[Chart](#)** [Conversations](#) [Statistics](#) [Historical Data](#) [Profile](#) [Financials](#) [Analysis](#) [Options](#) [Holders](#) [Sustainability](#)



5 - Year Performance

40.57 **-1.03 (-2.48%)** **40.60** **+0.03 (+0.07%)**

At close: 04:00PM EST

After hours: 07:11PM EST

[Summary](#) **[Chart](#)** [Conversations](#) [Statistics](#) [Historical Data](#) [Profile](#) [Financials](#) [Analysis](#) [Options](#) [Holders](#) [Sustainability](#)

[Full screen](#)



All time Performance

40.57 **-1.03 (-2.48%)** **40.60 +0.03 (+0.07%)**

At close: 04:00PM EST After hours: 07:11PM EST

[Summary](#) **[Chart](#)** [Conversations](#) [Statistics](#) [Historical Data](#) [Profile](#) [Financials](#) [Analysis](#) [Options](#) [Holders](#) [Sustainability](#)



eBay Comparison to NASDAQ

40.57

-1.03 (-2.48%)

40.60

+0.03 (+0.07%)

At close: 04:00PM EST

After hours: 07:11PM EST

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eBay Comparison to Shopify and Amazon

40.57

-1.03 (-2.48%)

40.60

+0.03 (+0.07%)

At close: 04:00PM EST

After hours: 07:11PM EST

Summary

Chart

Conversations

Statistics

Historical Data

Profile

Financials

Analysis

Options

Holders

Sustainability



Ownership Summary

Major Holders Breakdown

Currency in USD

0.90%	% of Shares Held by All Insider
90.64%	% of Shares Held by Institutions
91.47%	% of Float Held by Institutions
1,351	Number of Institutions Holding Shares

Institutional Holders

Top Institutional Holders

Holder	Shares	Date Reported	% Out	Value
Vanguard Group, Inc. (The)	53,238,065	Jun 29, 2022	9.69%	2,044,874,068
Blackrock Inc.	44,222,134	Jun 29, 2022	8.05%	1,698,572,160
State Street Corporation	24,471,606	Jun 29, 2022	4.45%	939,954,382
Comprehensive Financial Management, LLC	16,697,010	Jun 29, 2022	3.04%	641,332,151
FMR, LLC	16,347,080	Jun 29, 2022	2.98%	627,891,340
Ameriprise Financial, Inc.	14,717,200	Jun 29, 2022	2.68%	565,287,649
Nordea Investment Management AB	12,484,775	Sep 29, 2022	2.27%	479,540,205
Geode Capital Management, LLC	11,481,198	Jun 29, 2022	2.09%	440,992,813
Independent Franchise Partners, LLP	10,860,855	Jun 29, 2022	1.98%	417,165,438
Lindsell Train Limited	7,638,371	Jun 29, 2022	1.39%	293,389,828

Mutual Fund Holders

Top Mutual Fund Holders

Holder	Shares	Date Reported	% Out	Value
Vanguard Total Stock Market Index Fund	16,485,691	Jun 29, 2022	3.00%	633,215,388
Vanguard 500 Index Fund	12,389,640	Jun 29, 2022	2.26%	475,886,070
Invesco ETF Tr-Invesco QQQ Tr, Series 1 ETF	8,066,742	Sep 29, 2022	1.47%	309,843,558
Vanguard Mid-Cap Index Fund	6,442,164	Jun 29, 2022	1.17%	247,443,518
SPDR S&P 500 ETF Trust	6,118,624	Sep 29, 2022	1.11%	235,016,346
Fidelity 500 Index Fund	6,004,558	Aug 30, 2022	1.09%	230,635,071
Columbia Fds Ser Tr I-Columbia Dividend Income Fd	4,900,629	May 30, 2022	0.89%	188,233,159
iShares Core S&P 500 ETF	4,882,356	Sep 29, 2022	0.89%	187,531,293
Vanguard Index-Value Index Fund	4,837,087	Jun 29, 2022	0.88%	185,792,510
Oakmark Fund	4,597,700	Jun 29, 2022	0.84%	176,597,656

Company Overview

An American multinational e-commerce company that facilitates consumer-to-consumer and business-to consumer sales through its website

Founded: September 3, 1995, in California, U.S.

Founders: Pierre Omidyar

Headquarters: San Jose, California

IPO: \$18.00 per share on September 21, 1998

Active Users: 164 million active buyers and sellers

Ebay Stock Repurchase Program

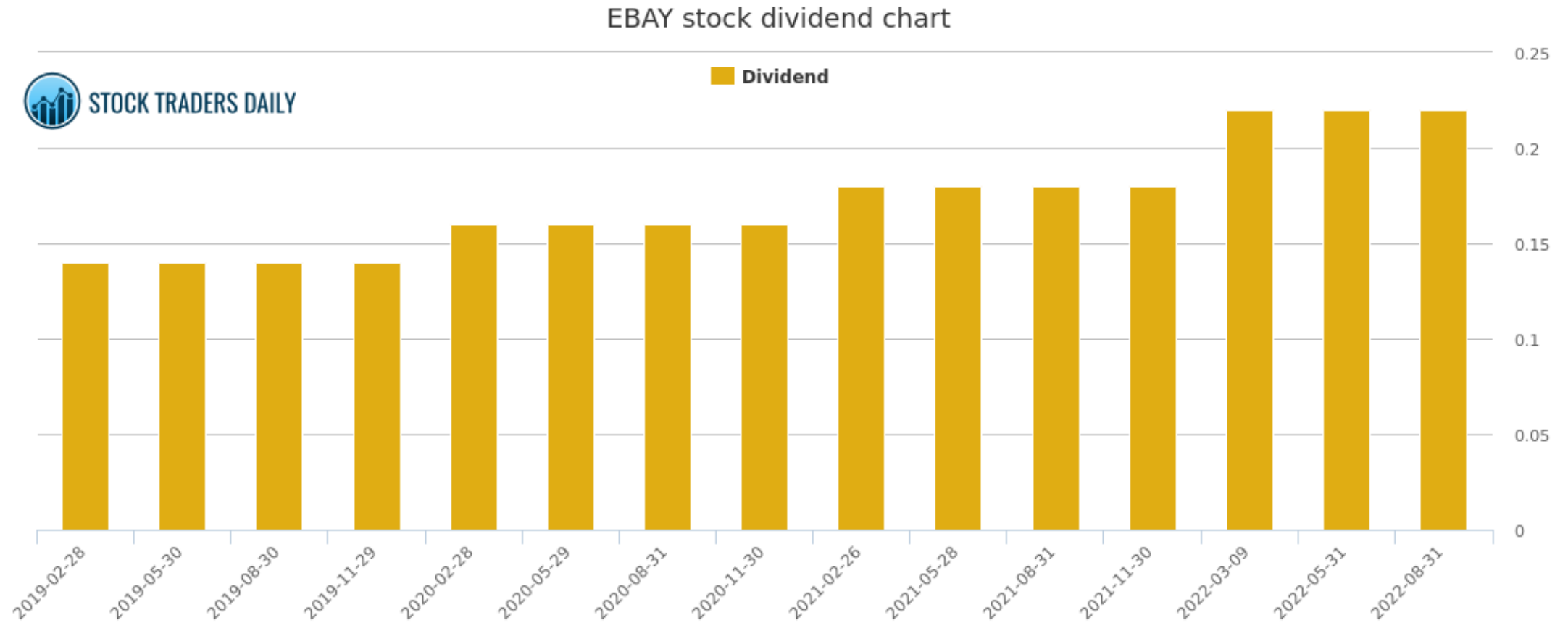
	Year Ended December 31,		
	2021	2020	2019
Treasury stock at cost:			
Balance, beginning of year	(36,515)	(31,396)	(26,394)
Common stock repurchased	(6,856)	(5,119)	(5,002)
Balance, end of year	(43,371)	(36,515)	(31,396)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(In millions, except per share amounts)			
Treasury stock at cost:	(Unaudited)			
Balance, beginning of period	(46,101)	(38,308)	(43,371)	(36,515)
Common stock repurchased	(301)	(2,251)	(3,031)	(4,044)
Balance, end of period	(46,402)	(40,559)	(46,402)	(40,559)

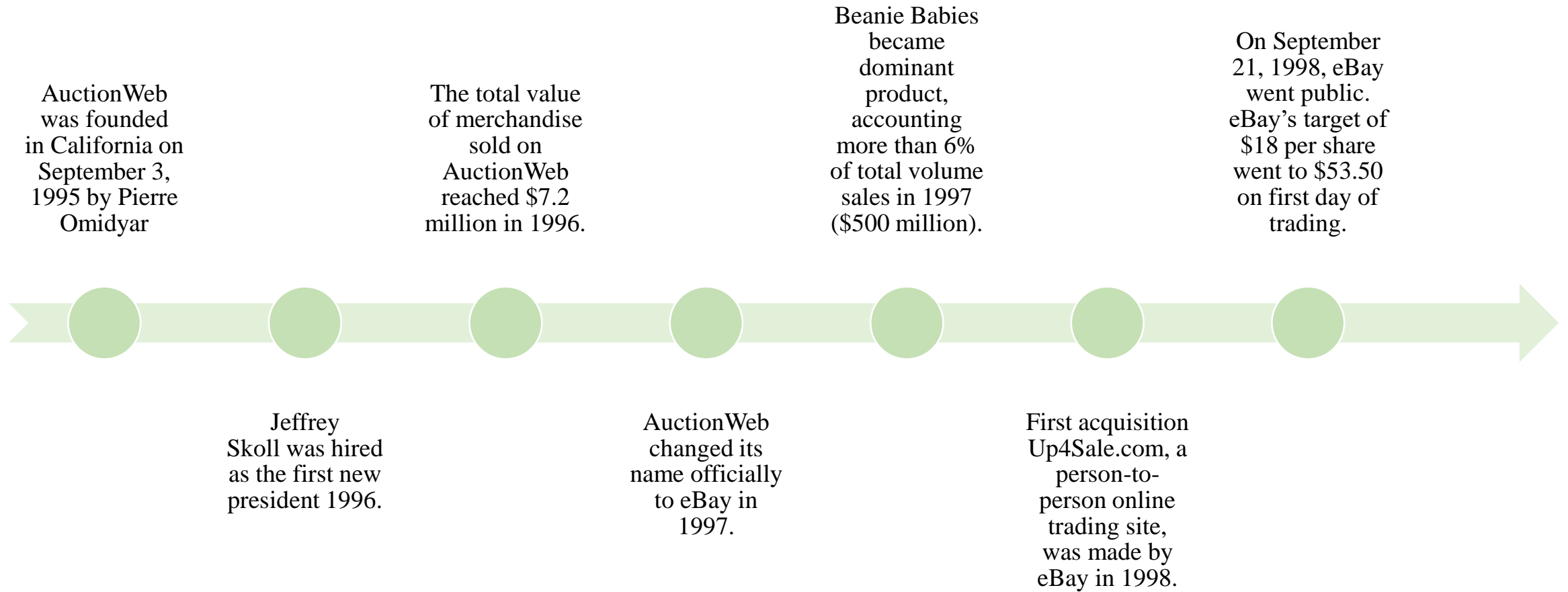
Key Highlights:

- In 2021, Ebay repurchased approximately \$7.0 billion of its common stock
 - approximately \$2.0 billion remained available for future purchases of common stock in 2021
- In February 2022, Ebay authorized an additional \$4.0 billion stock repurchase program with no expiration date.
- In Q3 2022, Ebay repurchased approximately \$4.6 billion of its common stock

Dividend payout chart



eBay History- 1990s



eBay History- 2000s

In 2000, 12 million registered users and more than 4.5 million items on sale on any given day.

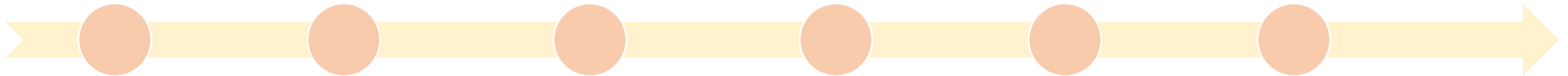
eBay created Kijiji in 2005, a local classified advertising site that connected users with their neighbors for goods and services globally.

In 2006, eBay acquired StubHub and became the world's largest online marketplace for tickets

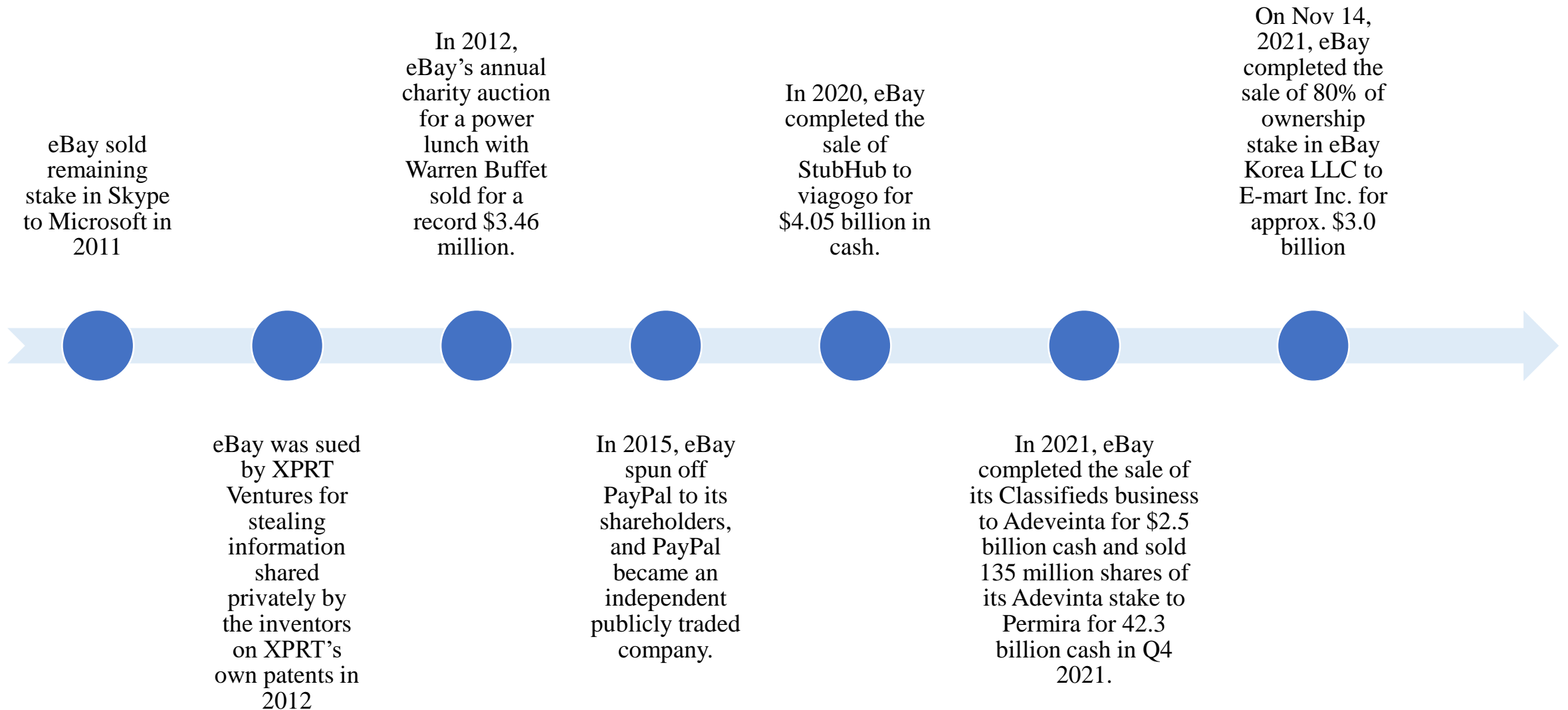
eBay acquired Paypal in 2002, at \$1.5 billion.

In 2005, eBay acquired Skype for \$2.6 billion, and sold the company for \$2.75 billion in 2009 while retaining a 30% stake in the company.

In 2008, eBay launched an iPhone application and was featured in the Apple app store.



eBay History- 2010s to Present



eBay Marketplaces

- One of the biggest online marketplaces globally
 - Second leading marketplace in the U.S. after Amazon
 - Auction style or fixed price sale
- Marketplace platforms include:
- www.ebay.com marketplace
 - Localized counterparts (eg: [ebay.ca](https://www.ebay.ca))
 - eBay mobile apps
- Key Values
 - 147 million buyers worldwide
 - Operates in more than 190 markets around the world
 - \$2.4B Marketplace Revenue (Q3 2022)
 - \$17B eBay Marketplace GMV (Q3 2022)

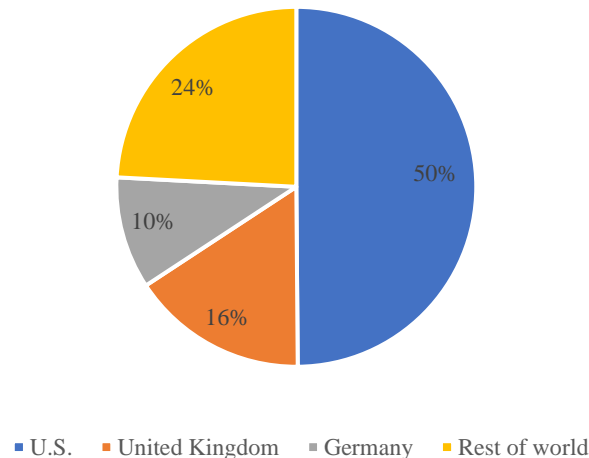


Geographic Reach

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
U.S.	\$ 1,187	\$ 1,198	\$ 3,612	\$ 3,798
United Kingdom	378	450	1,206	1,451
Germany	240	272	772	953
Rest of world	575	581	1,695	1,605
Total net revenues	<u>\$ 2,380</u>	<u>\$ 2,501</u>	<u>\$ 7,285</u>	<u>\$ 7,807</u>

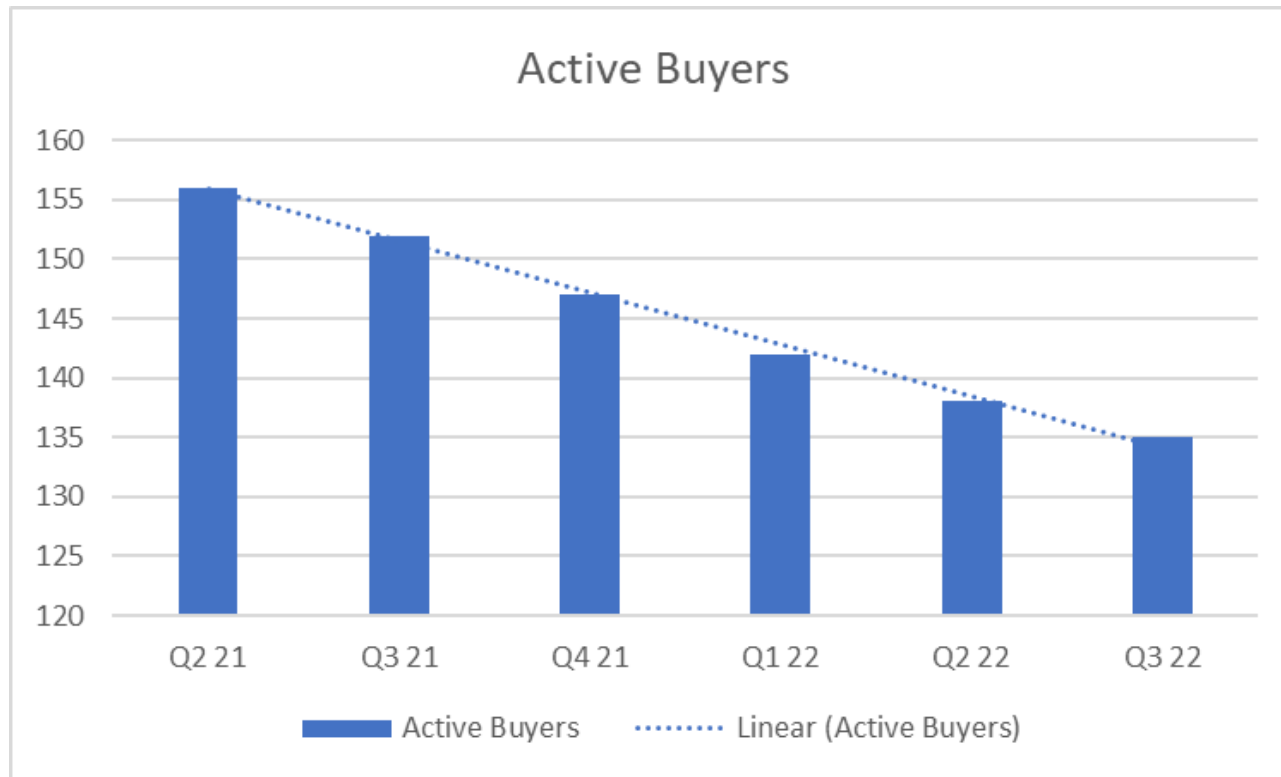
	Year Ended December 31,		
	2021	2020	2019
Net revenues by geography:			
U.S.	\$ 5,048	\$ 4,151	\$3,303
United Kingdom	1,913	1,678	1,323
Germany	1,249	1,106	1,034
Rest of world	2,210	1,959	1,769
Total net revenues	<u>\$10,420</u>	<u>\$8,894</u>	<u>\$7,429</u>

Net Revenue by Geographic reach Q3



- Decline in total net revenue (-5%) in 3 months ended Q3
- US still dominates total revenue with 50%
- Normalization of e-commerce sales

Trailing 12-Month Active Buyers (Millions)



Key highlights:

- 135 million active buyers in Q3 2022
- 16% decline compared to Q2 2021
- Only 12% are enthusiast buyers

eBay's Strategy

Business mode: Auction house that facilitates sale of goods between third-party buyers and sellers



Managed Payments

- Migrated new payment system for simplified end-to-end checkout experience in 2021.



Ebay Money Back Guarantee

- Refund full amount if ordered items do not arrive, are damaged or do not match the listings.



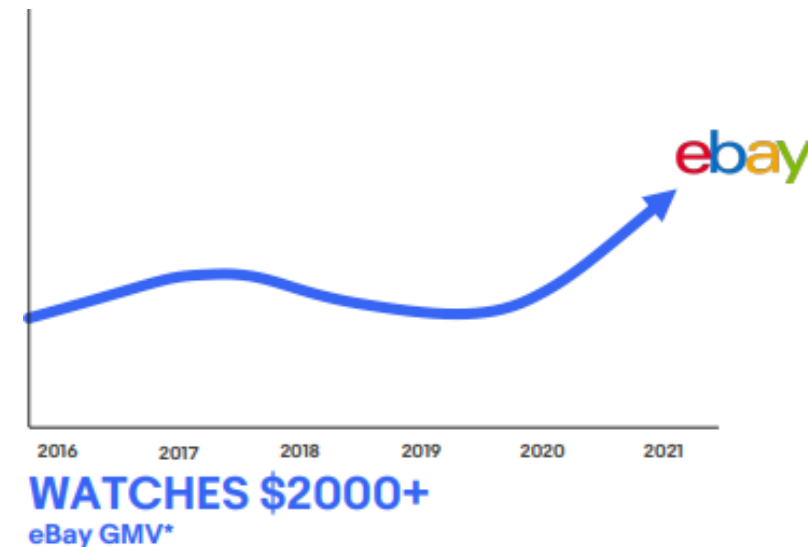
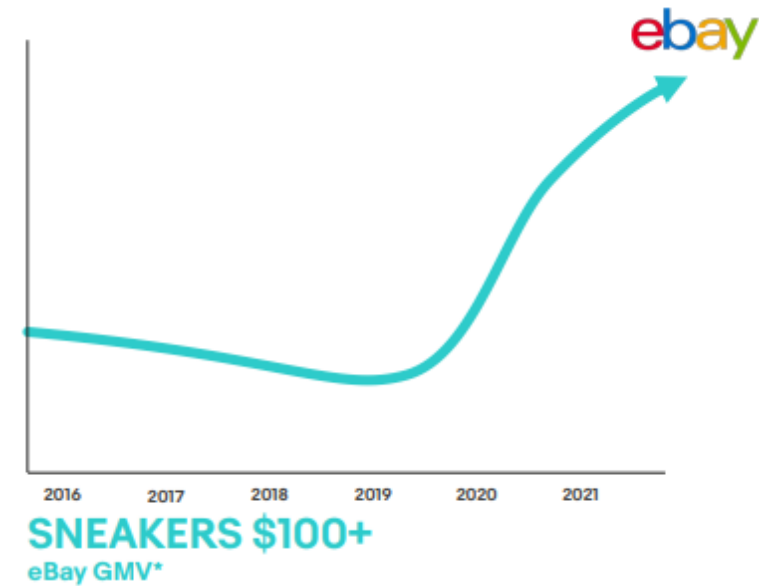
Authentication Guarantee:

- 5000 items per day
- 200+ authenticators globally
- Increase 20 pts in customer satisfaction

Ebay focus category



- Includes jewelry, sneakers, handbags, and recently introduced collectibles like trading cards
- 12% of enthusiast buyers shop multiple times a year and spend above \$3000 per year
- Target audience are younger individuals and cross-shoppers
- In Q2 2022, GMV grew 9 points faster than the rest of platform



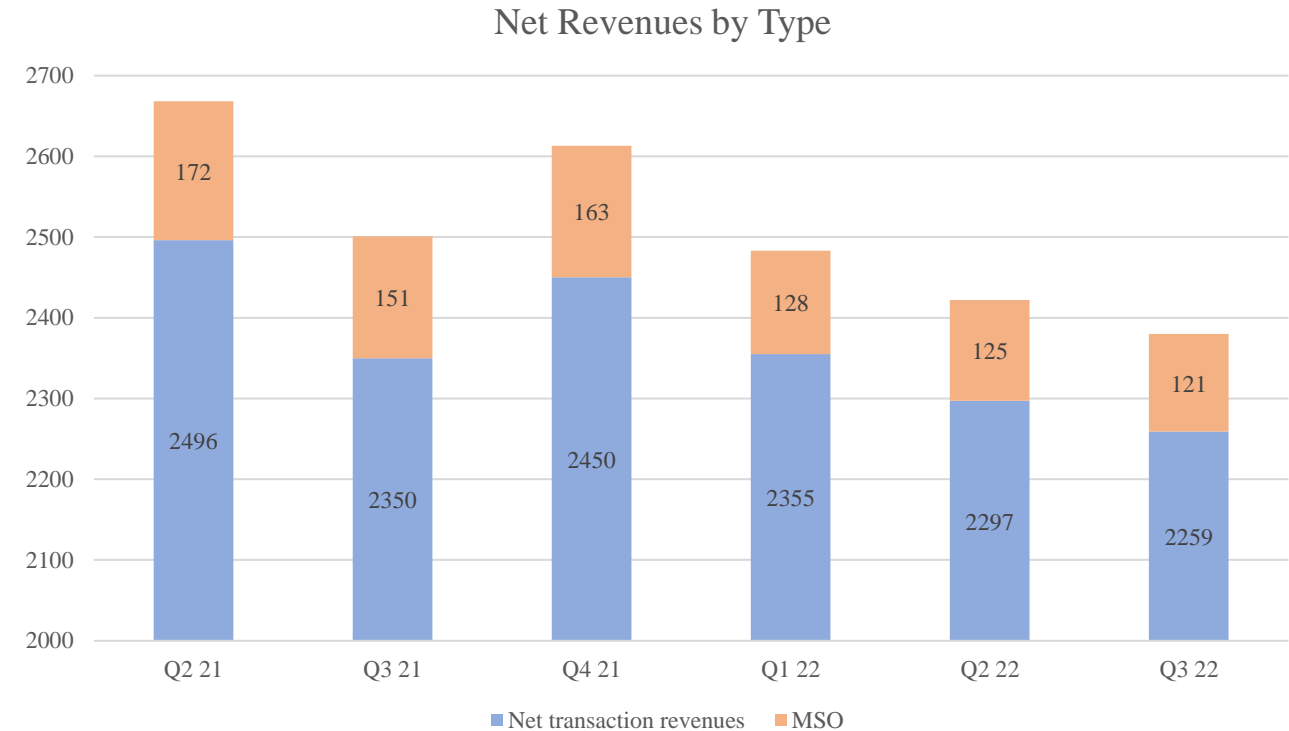
Two main Revenue Streams

1. Net transaction revenues

- Insertion fee when you create a listing (up to 250 zero insertion fee listings if you have an eBay store)
- Final value fee when item sells (% of total amount of sale,)
- Store subscription fees for large enterprise sellers
- Net transaction revenues are reduced by discounts, coupons, and rewards

2. Marketing services and other (MS&O) revenues

- Sale of revenue sharing arrangements and advertisements



Net Revenues by Type Table-10K

	Year Ended December 31,				
	2021	% Change	2020	% Change	2019
Net transaction revenues	\$ 9,772	19 %	\$8,243	25 %	\$ 6,581
Marketing services and other revenues	648	— %	651	(23)%	848
Total net revenues	<u>\$10,420</u>	17 %	<u>\$8,894</u>	20 %	<u>\$7,429</u>

Key highlights

- Net Revenue up \$1.5 billion in 2021 compared to 2020
- First quarter of 2021 improved buyer acquisition, but offset by decline in traffic for remainder of 2021 (normalized)
- Fluctuated sales due to COVID-19 impacts like mobility restrictions

Net Revenues by Type Table- 10Q

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Net transaction revenues	\$ 2,259	\$ 2,350	(4)%	\$ 6,911	\$ 7,322	(6)%
MS&O revenues	121	151	(20)%	374	485	(23)%
Total net revenues	<u>\$ 2,380</u>	<u>\$ 2,501</u>	(5)%	<u>\$ 7,285</u>	<u>\$ 7,807</u>	(7)%

Key highlights

- Declined 4% and 6% in net transactions revenues for three months and six months period comparing to last year's
- Reason: Geopolitical events, inflationary pressure and lower consumer confidence
- MS&O revenues are relatively flat due to decrease in revenues from ads

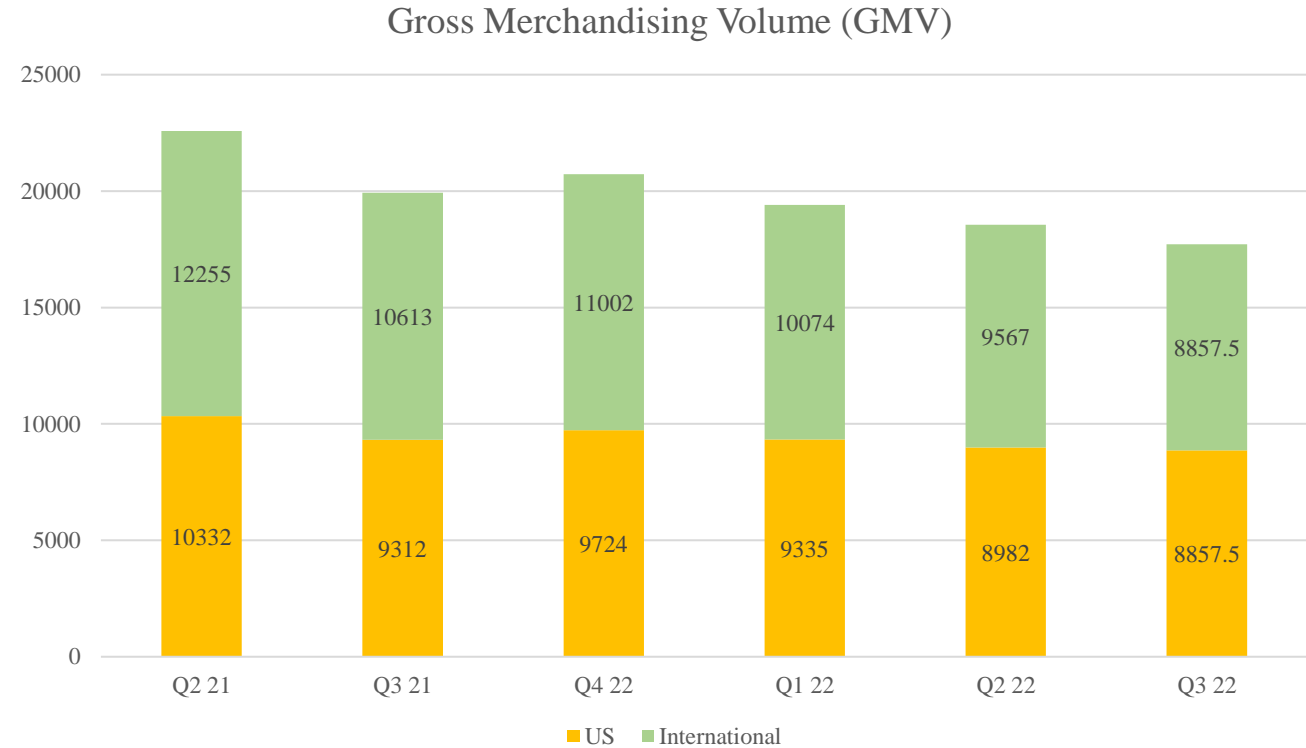
Net Transaction Revenues Metrics

Gross Merchandise Volume

- Total value of all paid transactions between users on eBay platforms during applicable period inclusive of shipping fees and taxes

Take rate

- Net transaction revenues divided by GMV
- Represents net transaction revenue as a % of overall volume



Net Transaction Revenues Metrics-10K

	Year Ended December 31,		% Change		Year Ended December 31,		% Change	
	2021	2020	As Reported	FX-Neutral	2020	2019	As Reported	FX-Neutral
Net transaction revenues ⁽¹⁾	\$ 9,772	\$ 8,243	19 %	17 %	\$ 8,243	\$ 6,581	25 %	26 %
Supplemental data:								
GMV ⁽²⁾	\$87,365	\$87,608	– %	(3)%	\$87,608	\$72,134	21 %	21 %
Take rate	11.19 %	9.41 %	1.78 %		9.41 %	9.12 %	0.29 %	

(1) Marketplace net transaction revenues were net of \$65 million, \$15 million and \$81 million hedging activity during the years ended December 31, 2021, 2020 and 2019 respectively.

(2) GMV has been retrospectively recast to reflect the new definition of GMV announced in December 2021.

Net Transaction Revenues Metrics-10Q

Net Transaction Revenues

	Three Months Ended September 30,		% Change		Nine Months Ended September 30,		Change	
	2022	2021	As Reported	FX- Neutral	2022	2021	As Reported	FX- Neutral
(In millions, except percentages)								
Net transaction revenues ⁽¹⁾	\$ 2,259	\$ 2,350	(4)%	(1)%	\$ 6,911	\$ 7,322	(6)%	(3)%
Supplemental data:								
GMV ⁽²⁾	\$ 17,715	\$ 19,925	(11)%	(5)%	\$ 55,673	\$ 66,639	(16)%	(13)%
Take rate ⁽²⁾	12.75 %	11.79 %	0.96 %		12.41 %	10.99 %	1.42 %	

(1) Net transaction revenues were net of \$36 million and \$51 million of hedging gains during the three and nine months ended September 30, 2022, respectively, as compared to \$19 million and \$65 million of hedging losses during the same periods in 2021.

(2) GMV and take rate for the three and nine months ended September 30, 2021 has been retrospectively recast to reflect the new definition of GMV announced in December 2021.

eBay's Discontinued Operations

StubHub

- Sale of StubHub business to an affiliate of viagogo for \$4.1 billion cash in 2020
- The largest secondary marketplace for online tickets
- Stubhub platforms include:
 - Online ticket platform
 - Localized counterparts
 - Mobile apps
- Key Value
 - \$1 Stubhub Net revenue (Year ended 2019)
 - Approx. over 16 million visitors per month



eBay Classified Group

- Permanent transfer of Classifieds business to Adevinta for \$13.3 billion (\$2.5 billion cash and 540 million shares) in 2021
- Classifieds platforms include:
 - Collection of Brands, examples include
 - Mobile.de
 - Kijiji
 - Gumtree
- Key Values
 - Offers online classifieds in 1500+ cities
 - \$10.485B Classifieds Net of Income Taxes (Year ended 2021)
 - 1.2B Live Marketplace Listings



eBay Korea

- Completed sale of 80.01% of outstanding equity interests of eBay Korea (including G-Market, IAC and G-9) to Emart on November 14, 2021
- Reason: slow transaction growth in South Korea's online shopping, and business model not sustainable
- eBay Strategy in Korea
 - First-party inventory program
 - Buy consumer staples at discount and resell on marketplace to attract people
 - Increase cost of net revenues
- Contributed over \$14 billion USD in GMV
- Generated \$1.39B Net revenue in 2020, 14% of total net revenues of eBay.



Discontinued Operations Table

	Year ended December 31,		
	2021 ⁽¹⁾⁽²⁾	2020 ⁽³⁾	2019
eBay Korea income (loss) from discontinued operations, net of income taxes	\$ 2,870	\$ 55	\$ 83
Classifieds income (loss) from discontinued operations, net of income taxes	10,485	197	217
StubHub income (loss) from discontinued operations, net of income taxes	1	2,930	59
PayPal and Enterprise income (loss) from discontinued operations, net of income taxes	—	(2)	(6)
Income (loss) from discontinued operations, net of income taxes	<u>\$13,356</u>	<u>\$ 3,180</u>	<u>\$353</u>

(1) Includes eBay Korea financial results through the transaction close on November 14, 2021 and the related gain on sale.

(2) Includes Classifieds financial results through the transaction close on June 24, 2021 and the related gain on sale.

(3) Includes StubHub financial results from January 1, 2020 to February 13, 2020 and the related gain on sale.

eBay Classified Group Financials

	Year ended December 31,		
	2021 ⁽¹⁾	2020	2019
Net revenues	\$ 565	\$980	\$1,043
Cost of net revenues	63	103	82
Gross profit	502	877	961
Operating expenses:			
Sales and marketing	183	286	335
Product development	105	161	150
General and administrative	76	124	59
Provision for transaction losses	2	17	15
Amortization of acquired intangible assets	—	6	11
Total operating expenses	366	594	570
Income from operations of discontinued operations	136	283	391
Interest and other, net	—	—	(2)
Pre-tax gain on sale	12,534	—	—
Income from discontinued operations before income taxes	12,670	283	389
Income tax provision	(2,185)	(86)	(172)
Income from discontinued operations, net of income taxes	<u>\$10,485</u>	<u>\$ 197</u>	<u>\$ 217</u>

(1) Includes Classifieds financial results through the transaction close on June 24, 2021 and the related gain on sale.

eBay Korea Financials

	Year ended December 31,		
	2021 ⁽¹⁾	2020	2019
Net revenues	\$ 1,409	\$1,377	\$1,207
Cost of net revenues	815	676	551
Gross profit	594	701	656
Operating expenses:			
Sales and marketing	529	548	502
Product development	64	59	46
General and administrative	38	18	17
Provision for transaction losses	—	1	—
Total operating expenses	631	626	565
Income (loss) from operations of discontinued operations	(37)	75	91
Interest and other, net	2	—	6
Pre-tax gain on sale	3,240	—	—
Income (loss) from discontinued operations before income taxes	3,205	75	97
Income tax benefit (provision)	(335)	(20)	(14)
Income (loss) from discontinued operations, net of income taxes	<u>\$2,870</u>	<u>\$ 55</u>	<u>\$ 83</u>

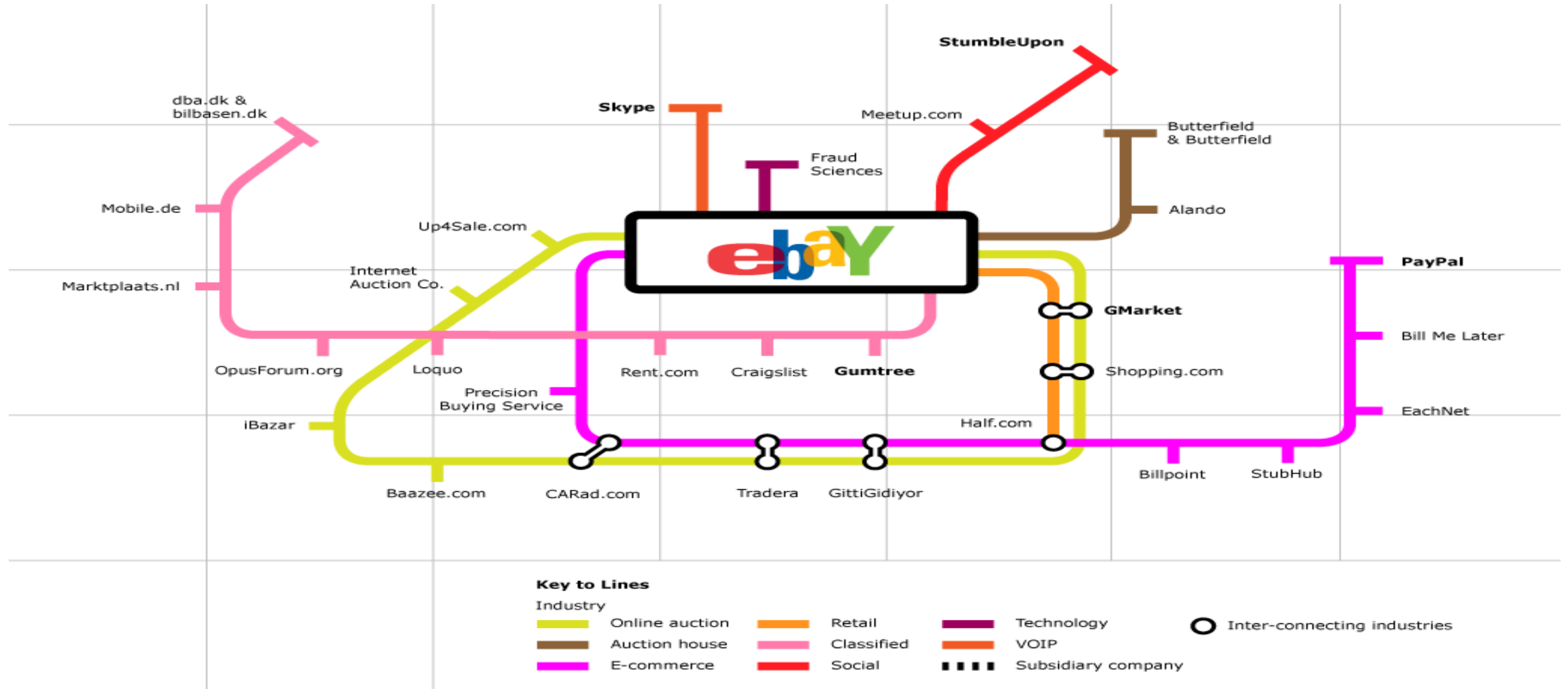
(1) Includes eBay Korea financial results through the transaction close on November 14, 2021 and the related gain on sale.

StubHub Financials

	Year ended December 31,		
	2021	2020 ⁽¹⁾	2019
Net revenues	\$ —	\$ 100	\$1,121
Cost of net revenues	—	31	290
Gross profit	—	69	831
Operating expenses:			
Sales and marketing	—	51	491
Product development	—	26	114
General and administrative	1	30	125
Provision for transaction losses	—	3	23
Amortization of acquired intangible assets	—	1	9
Total operating expenses	1	111	762
Income (loss) from operations of discontinued operations	(1)	(42)	69
Pre-tax gain on sale	12	3,868	—
Income from discontinued operations before income taxes	11	3,826	69
Income tax provision	(10)	(896)	(10)
Income from discontinued operations, net of income taxes	<u>\$ 1</u>	<u>\$2,930</u>	<u>\$ 59</u>

(1) Includes StubHub financial results from January 1, 2020 to February 13, 2020, and includes the gain on sale recorded for the StubHub transaction.

Ebay Acquisitions



Recent Acquisition/Expansion Efforts



TCG Player

- Digital media company specialize in trading card games
- Complements Ebay focus category and enhances seller experience of creating customizable webstores
- Acquired by eBay Q3 2022



KnownOrigin

- NFT Marketplace based in Manchester, UK
- Provides artists a place to create, buy, and resell unique digital collectibles
- Acquired by eBay Q2 2022



Sneakercon Authentication

- Sneaker authentication service
- More than 1.55 million sneakers have been authenticated in a year
- Acquired by eBay Q4 2021

Management Team



Key Management - eBay

<u>Jamie Iannone:</u>	CEO, President
<u>Steve Priest:</u>	CFO, SVP
<u>Eddie Garcia:</u>	Chief Product Officer, SVP
<u>Stefanie Jay:</u>	Chief Business and Strategy Officer, SVP
<u>Julie Loeger:</u>	Chief Growth Officer, SVP
<u>Cornelius Boone:</u>	Chief People Officer, SVP
<u>Mazen Rawashdeh:</u>	Chief Technology Officer, SVP
<u>Marie Oh Huber:</u>	Chief Oh Huber, SVP
<u>Jordan Sweetnam:</u>	Global Markets, SVP

Jamie Iannone

- ▶ (2020-Present): CEO and President of eBay
- ▶ (Prior to eBay): COO of Walmart eCommerce, CEO of SamsClub.com
- ▶ (2001-2009): Vice President and other roles at eBay
- ▶ Former CEO Devin Wenig resigned over disagreement with Board of Directors
- ▶ MBA (Stanford), B.S (Princeton)



Steve Priest

- ▶ (2021-Present): SVP, CFO of eBay
- ▶ Oversees all aspects of eBay's controllership, financial planning and analysis, tax, treasury, audit, mergers and acquisitions, and investor relations
- ▶ (2014-2021): CFO of JetBlue
- ▶ (1995-2015): SVP, Strategy & Planning of British Airways
- ▶ B.A, Geography and Economics, (Manchester)
- ▶ Chartered Global Management Accountant



Eddie Garcia

- ▶ (2022-Present): SVP, Chief Product Officer, eBay
- ▶ (2021-2022): Head of Commerce, Meta
- ▶ (2014-2021): SVP, Chief Product Officer, Sam's Club
- ▶ (2013-2014): Director, Marketplaces Business, eBay
- ▶ B.S. Mechanical Engineering (Stanford), MBA (Stanford)



Stefanie Jay

- ▶ (2021-Present): SVP, Chief Business and Strategy Officer
- ▶ (2017-2021): VP & GM, Walmart Media Group
- ▶ (2015-2017): VP, Head of Corporate Development, Walmart eCommerce
- ▶ (2001-2015): VP, Investment Banking, Goldman Sachs
- ▶ (2004 to Present) SVP, Various VP and General Manager positions at eBay
- ▶ 20 years of experience in global strategy, corporate development, and general management
- ▶ B.A, Economics (Columbia)



Julie Loeger

- ▶ (2021-Present) SVP, Chief Growth Officer, eBay
- ▶ (1991-2021): Executive VP, President of U.S. Card, Discover Financial Services
- ▶ (1986-1991): Marketing Team Leader, Anheuser- Busch
- ▶ 30 years of experience in marketing, strategy, financial services, brand management, and product development experience.
- ▶ MBA (Loyola University of Chicago), BBA (University of Texas)



Cornelius Boone

- ▶ (2021-Present): SVP, Chief People Officer, eBay
- ▶ (2018-2021): VP, Human Resources, American Airlines
- ▶ (2010-2018): VP, Human Resources, Walmart
- ▶ (2007-2010): Employment Lawyer, Littler Mendelson
- ▶ Experience in driving business performance, talent development and acquisition, learning and development, compensation, benefits, HR technologies.
- ▶ BA, Political Science and Government , and JD (University of Arkansas)



Mazen Rawashdeh

- ▶ (2016-Present): SVP, Chief Technology Officer, eBay
- ▶ (2011-2016): VP, Infrastructure Engineering & Operations, Twitter
- ▶ (2003-2011): VP, Technical Operations, eBay
- ▶ 30 years of experience in driving large-scale technology vision, strategy, implementation and transformation across company.
- ▶ BS, Computer Science and Mathematics (Chapman University)



Marie Oh Huber

- ▶ (2015-Present): SVP, Chief Legal Officer & General Counsel and Secretary, eBay
- ▶ (2009-2015): SVP, Legal, Corporate Relations & RA/QA, Agilent Technologies
- ▶ (1990-1999): Corporate Counsel, Hewlett-Packard Company
- ▶ Over 25 years of experience in strategic business, legal, public policy, M&A, corporate governance, IP, litigation, privacy and cybersecurity
- ▶ B.A, Economics, (Yale), J.D (Northwestern University)



Jordan Sweetnam

- ▶ (2019-Present): SVP, Global Markets, eBay
- ▶ (2016-2019): SVP, Customer Experience & Product Management, Walmart eCommerce
- ▶ (2014-2016): VP, Seller Experience, eBay Marketplaces
- ▶ (2004-2014): Sr. Director, Business Management & Product Marketing, eBay
- ▶ (2002-2004): Investment Analyst, AGF Investments Inc.
- ▶ 20 years of experience in category management, operations, and marketing
- ▶ Bcom, Finance, (UBC)



Executive Compensation

Name and Principal Position (a)	Year (b)	Salary (\$ (c)	Bonus (\$ (d)	Stock Awards (\$ (e)	Option Awards (\$ (f)	Non-Equity Incentive Plan Compensation (\$ (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$ (h)	All Other Compensation (\$ (i)	Total (\$)
Jamie Iannone President and Chief Executive Officer ("CEO")	2021	1,000,000	1,500,000	15,000,111	—	4,050,000	—	134,991	21,685,102
	2020	673,077	3,500,000	26,586,624	—	4,000,000	—	76,138	34,835,839
Steve Priest⁽¹⁾ Chief Financial Officer ("CFO")	2021	389,423	2,250,000	9,832,329	—	817,789	—	238,433	13,527,975
Cornelius Boone⁽²⁾ Senior Vice President, Chief People Officer	2021	582,981	2,300,000	6,508,553	—	767,349	—	171,611	10,330,494
Julie Loeger⁽³⁾ Senior Vice President, Chief Growth Officer	2021	625,000	1,250,000	7,223,993	—	984,375	—	216,984	10,300,352
Peter B. Thompson Senior Vice President, Chief Product Officer	2021	645,000	—	5,702,115	—	907,031	—	16,846	7,270,991
	2020	664,423	1,750,000	4,112,662	—	863,750	—	34,873	7,425,708
	2019	240,385	3,500,000	7,852,346	—	182,031	—	9,615	11,784,377
Andy Cring⁽⁴⁾ former Interim Chief Financial Officer	2021	367,500	2,560,000	3,421,256	—	363,825	—	5,869,312	12,581,893
	2020	468,462	1,272,000	2,057,770	—	515,308	—	32,921	4,346,460
	2019	440,000	210,000	4,947,044	—	312,180	—	11,200	5,920,424
Kristin Yetto⁽⁵⁾ former Chief People Officer	2021	152,365	—	—	—	228,548	—	17,637,629	18,018,542
	2020	716,346	—	3,701,108	—	1,074,519	—	11,658	5,503,631
	2019	637,500	—	7,302,044	—	616,781	—	11,200	8,567,525

⁽¹⁾ Mr. Priest was appointed as Chief Financial Officer effective as of June 21, 2021.

⁽²⁾ Mr. Boone was appointed as Chief People Officer effective as of February 1, 2021.

⁽³⁾ Ms. Loeger was appointed as Chief Growth Officer effective as of January 11, 2021.

⁽⁴⁾ Mr. Cring served as Interim CFO until June 21, 2021 and then as an advisor until his departure from the Company on October 15, 2021.

⁽⁵⁾ Ms. Yetto departed the Company on March 16, 2021.

Board of Directors



Adriane M. Brown

Age: 63

Director Since: 2017

Committees:

- Compensation and Human Resources
- Risk Committee

Other Public Company Boards:

- Axon Enterprise, Inc. (since 2019)
- American Airlines Group, Inc. (since 2019)
- KKR & Co. Inc. (since 2021)



Jamie Iannone

Age: 49

Director Since: 2020

Committees:

- None

Other Public Company Boards:

- None



Paul S. Pressler

Chair of the Board

Age: 65

Director Since: 2015

Committees:

- Compensation and Human Resources
- Corporate Governance

Other Public Company Boards:

- None



Robert H. Swan

Age: 61

Director Since: 2015

Committees:

- Audit Committee
- Risk Committee (Chair)

Other Public Company Boards:

- GoTo Group



Logan D. Gree

Age: 38

Director Since: 2016

Committees:

- Compensation and Human Resources

Other Public Company Boards:

- Lyft, Inc. (since 2019)

Board of Directors cont.



E. Carol Hayles

Age: 61

Director Since: 2020

Committees:

- Audit Committee (Chair)

Other Public Company Boards:

- Blucora, Inc. (since 2018)
- Webster Financial Corporation (since 2018)



Kathleen C. Mitic

Age: 52

Director Since: 2011

Committees:

- Compensation and Human Capital Committee
- Corporate Governance and Nominating Committee (Chair)

Other Public Company Boards:

- RH (f/k/a Restoration Hardware Holdings, Inc.) (since 2013)
- TCV Acquisition Corp. (since 2021)



Mohak Shroff

Age: 43

Director Since: 2020

Committees:

- Risk Committee

Other Public Company Boards:

- None



Perry M. Traquina

Age: 66

Director Since: 2015

Committees:

- Audit Committee
- Corporate Governance and Nominating Committee

Other Public Company Boards:

- Morgan Stanley (since 2015)
- The Allstate Corporation (since 2016)

Financial Statement Analysis

Balance Sheet: 10-Q Assets

	September 30, 2022	December 31, 2021
	(In millions, except par value) (Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,037	\$ 1,379
Short-term investments	1,457	5,944
Customer accounts and funds receivable	633	681
Other current assets	1,162	1,107
Total current assets	5,289	9,111
Long-term investments	1,971	2,575
Property and equipment, net	1,194	1,236
Goodwill	4,058	4,178
Operating lease right-of-use assets	527	289
Deferred tax assets	3,144	3,255
Equity investment in Adevinta	2,417	5,391
Other assets	497	591
Total assets	\$ 19.097	\$ 26.626

Balance Sheet: 10-Q Liabilities and Equities

LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	\$	1,150	\$ 1,355
Accounts payable		224	262
Customer accounts and funds payable		649	707
Accrued expenses and other current liabilities		1,765	1,927
Income taxes payable		186	371
Total current liabilities		3,974	4,622
Operating lease liabilities		432	200
Deferred tax liabilities		2,231	3,116
Long-term debt		6,579	7,727
Other liabilities		1,028	1,183
Total liabilities		14,244	16,848

Balance Sheet: 10-Q Liabilities and Equities

Commitments and Contingencies (Note 11)		
Stockholders' equity:		
Common stock, \$0.001 par value; 3,580 shares authorized; 544 and 594 shares outstanding	2	2
Additional paid-in capital	17,147	16,659
Treasury stock at cost, 1,178 and 1,121 shares	(46,402)	(43,371)
Retained earnings	33,766	36,090
Accumulated other comprehensive income	340	398
Total stockholders' equity	4,853	9,778
Total liabilities and stockholders' equity	\$ 19,097	\$ 26,626

Balance Sheet: 10-K Assets

	December 31,	
	2021	2020
	(In millions, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,379	\$ 1,101
Short-term investments	5,944	2,392
Accounts receivable, net of allowance for doubtful accounts of \$42 and \$97	98	362
Customer accounts and funds receivable	681	290
Other current assets	1,009	780
Current assets of discontinued operations	—	2,265
Total current assets	9,111	7,190
Long-term investments	2,575	833
Property and equipment, net	1,236	1,292
Goodwill	4,178	4,285
Intangible assets, net	8	12
Operating lease right-of-use assets	289	430
Deferred tax assets	3,255	3,537
Equity investment in Adevinta	5,391	—
Warrant asset	444	1,051
Other assets	139	131
Long-term assets of discontinued operations	—	549
Total assets	\$26,626	\$ 19,310

Balance Sheet: 10-K Liabilities and Equities

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 1,355	\$ 6
Accounts payable	262	278
Customer accounts and funds payable	707	379
Accrued expenses and other current liabilities	1,848	1,767
Deferred revenue	79	98
Income taxes payable	371	167
Current liabilities of discontinued operations	—	1,307
Total current liabilities	4,622	4,002
Operating lease liabilities	200	316
Deferred tax liabilities	3,116	2,368
Long-term debt	7,727	7,740
Other liabilities	1,183	1,260
Long-term liabilities of discontinued operations	—	63
Total liabilities	16,848	15,749

Balance Sheet: 10-K Liabilities and Equities

Commitments and contingencies (Note 12)

Stockholders' equity:

Common stock, \$0.001 par value; 3,580 shares authorized; 594 and 684 shares outstanding	2	2
Additional paid-in capital	16,659	16,497
Treasury stock at cost, 1,121 and 1,021 shares	(43,371)	(36,515)
Retained earnings	36,090	22,961
Accumulated other comprehensive income	398	616
Total stockholders' equity	9,778	3,561
Total liabilities and stockholders' equity	<u>\$26,626</u>	<u>\$ 19,310</u>

Income Statement: 10-K

	Year Ended December 31,		
	2021	2020	2019
	(In millions, except per share amounts)		
Net revenues	\$10,420	\$8,894	\$7,429
Cost of net revenues	2,650	1,797	1,585
Gross profit	7,770	7,097	5,844
Operating expenses:			
Sales and marketing	2,170	2,091	1,866
Product development	1,325	1,028	930
General and administrative	921	985	988
Provision for transaction losses	422	330	262
Amortization of acquired intangible assets	9	27	28
Total operating expenses	4,847	4,461	4,074
Income from operations	2,923	2,636	1,770
Gain (loss) on equity investments and warrant, net	(2,365)	1,007	133
Interest and other, net	(160)	(298)	(251)
Income from continuing operations before income taxes	398	3,345	1,652
Income tax provision	(146)	(858)	(219)
Income from continuing operations	\$ 252	\$2,487	\$ 1,433
Income from discontinued operations, net of income taxes	13,356	3,180	353
Net income	\$13,608	\$5,667	\$ 1,786

Income Statement: 10-Q

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(In millions, except per share amounts)			
	(Unaudited)			
Net revenues	\$ 2,380	\$ 2,501	\$ 7,285	\$ 7,807
Cost of net revenues	647	678	1,999	1,956
Gross profit	1,733	1,823	5,286	5,851
Operating expenses:				
Sales and marketing	538	496	1,582	1,601
Product development	345	334	990	988
General and administrative	212	219	675	715
Provision for transaction losses	69	112	251	303
Amortization of acquired intangible assets	1	—	3	9
Total operating expenses	1,165	1,161	3,501	3,616
Income from operations	568	662	1,785	2,235
Gain (loss) on equity investments and warrant, net	(593)	(181)	(4,105)	(490)
Interest and other, net	(29)	(47)	(110)	(186)
Income (loss) from continuing operations before income taxes	(54)	434	(2,430)	1,559
Income tax benefit (provision)	(16)	(151)	485	(414)
Income (loss) from continuing operations	(70)	283	(1,945)	1,145
Income (loss) from discontinued operations, net of income taxes	1	(19)	4	10,494
Net income (loss)	\$ (69)	\$ 264	\$ (1,941)	\$ 11,639

Cash Flows Statement: 10-K Operations

eBay Inc.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended December 31,		
	2021	2020	2019
	(In millions)		
Cash flows from operating activities:			
Net income	\$ 13,608	\$ 5,667	\$ 1,786
(Income) loss from discontinued operations, net of income taxes	(13,356)	(3,180)	(353)
Adjustments:			
Provision for transaction losses	422	330	262
Depreciation and amortization	502	583	600
Stock-based compensation	477	417	415
(Gain) loss on investments, net	(143)	2	—
(Gain) loss on sale of business	—	—	52
Deferred income taxes	(680)	414	7
Change in fair value of warrant	(357)	(770)	(133)
Change in fair value of equity investment in Adevinta	3,070	—	—
Gain on equity investment in KakaoBank	(486)	(239)	—
Loss on impairment of equity investment in Paytm Mall	160	—	—
(Gain) loss on extinguishment of debt	10	—	—
Changes in assets and liabilities, net of acquisition effects			
Accounts receivable	195	31	(93)
Other current assets	41	(677)	91
Other non-current assets	188	141	190
Accounts payable	9	69	(11)
Accrued expenses and other liabilities	(535)	209	(306)
Deferred revenue	(17)	(20)	(1)
Income taxes payable and other tax liabilities	(15)	27	(90)
Net cash provided by continuing operating activities	3,093	3,004	2,416
Net cash provided by (used in) discontinued operating activities	(436)	(585)	698
Net cash provided by operating activities	2,657	2,419	3,114

Cash Flows Statement: 10-K Investing

	Year Ended December 31,		
	2021	2020	2019
	(In millions)		
Cash flows from investing activities:			
Purchases of property and equipment	(444)	(463)	(508)
Purchases of investments	(22,161)	(32,887)	(46,966)
Maturities and sales of investments	18,884	33,129	50,548
Proceeds from sale of shares in Adevinta	2,325	—	—
Settlement of foreign exchange derivative instruments in equity investments	85	—	—
Exercise of options under warrant	(110)	—	—
Equity investment in Paytm Mall	—	—	(160)
Other	4	42	(14)
Net cash provided by (used in) continuing investing activities	(1,417)	(179)	2,900
Net cash provided by (used in) discontinued investing activities	5,080	3,973	(113)
Net cash provided by investing activities	3,663	3,794	2,787

Cash Flows Statement: 10-K Financing

	Year Ended December 31,		
	2021	2020	2019
	(In millions)		
Cash flows from financing activities:			
Proceeds from issuance of common stock	93	90	106
Repurchases of common stock	(7,055)	(5,137)	(4,973)
Payments for taxes related to net share settlements of restricted stock units and awards	(236)	(175)	(202)
Payments for dividends	(466)	(447)	(473)
Proceeds from issuance of long-term debt, net	2,478	1,765	—
Repayment of debt	(1,156)	(1,771)	(1,550)
Net funds receivable and payable activity	(208)	—	—
Other	(7)	(5)	5
Net cash (used in) continuing financing activities	(6,557)	(5,680)	(7,087)
Net cash provided by (used in) discontinued financing activities	25	(12)	(4)
Net cash (used in) financing activities	(6,532)	(5,692)	(7,091)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	24	77	(33)
Net increase (decrease) in cash, cash equivalents and restricted cash	(188)	598	(1,223)
Cash, cash equivalents and restricted cash at beginning of period	1,594	996	2,219
Cash, cash equivalents and restricted cash at end of period	\$ 1,406	\$ 1,594	\$ 996
Less: Cash, cash equivalents and restricted cash of discontinued operations	—	356	337
Cash, cash equivalents and restricted cash of continuing operations at end of period	\$ 1,406	\$ 1,238	\$ 659

Cash Flows Statement: 10-Q Operations

	Nine Months Ended September 30,	
	2022	2021
	(In millions) (Unaudited)	
Cash flows from operating activities:		
Net income (loss)	\$ (1,941)	\$ 11,639
Income (loss) from discontinued operations, net of income taxes	(4)	(10,494)
Adjustments:		
Provision for transaction losses	251	303
Depreciation and amortization	335	380
Stock-based compensation	366	365
Loss (gain) on investments and other, net	7	(39)
Deferred income taxes	(807)	41
Change in fair value of warrant	246	(383)
Change in fair value of equity investment in Adevinta	2,973	1,497
Change in fair value of equity investment in Gmarket	299	—
Unrealized change in fair value of equity investment in KakaoBank	246	(512)
Unrealized change in fair value of equity investment in Adyen	118	—
Realized change in fair value of shares sold in Adyen	143	—
Realized change in fair value of shares sold in KakaoBank	75	(83)
Loss (gain) on extinguishment of debt	—	10
Changes in assets and liabilities, net of acquisition effects	(366)	(106)
Net cash provided by continuing operating activities	1,941	2,618
Net cash used in discontinued operating activities	(371)	(254)
Net cash provided by operating activities	1,570	2,364

Cash Flows Statement: 10-Q Investing

Cash flows from investing activities:		
Purchases of property and equipment	(296)	(341)
Purchases of investments	(15,223)	(15,103)
Maturities and sales of investments	18,247	13,752
Proceeds from the sale of shares in Adyen	800	—
Proceeds from the sale of shares in KakaoBank	287	114
Other	(62)	13
Net cash provided by (used in) continuing investing activities	3,753	(1,565)
Net cash provided by discontinued investing activities	2	2,443
Net cash provided by investing activities	3,755	878

Cash Flows Statement: 10-Q Financing

Cash flows from financing activities:		
Proceeds from issuance of common stock	55	57
Repurchases of common stock	(2,828)	(3,966)
Payments for taxes related to net share settlements of restricted stock units and awards	(130)	(186)
Payments for dividends	(370)	(359)
Proceeds from issuance of long-term debt, net	—	2,478
Repayment of debt	(1,355)	(1,156)
Net funds receivable and payable activity	92	(109)
Other	—	(6)
Net cash used in continuing financing activities	(4,536)	(3,247)
Net cash provided by discontinued financing activities	—	2
Net cash used in financing activities	(4,536)	(3,245)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(89)	30
Net increase in cash, cash equivalents and restricted cash	700	27
Cash, cash equivalents and restricted cash at beginning of period	1,406	1,594
Cash, cash equivalents and restricted cash at end of period	\$ 2,106	\$ 1,621
Less: Cash, cash equivalents and restricted cash of discontinued operations	—	352
Cash, cash equivalents and restricted cash of continuing operations at end of period	\$ 2,106	\$ 1,269

Recommendation



HOLD