

Amazon reports rare quarterly loss as online shopping slows

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Amazon reported its first quarterly loss since 2015 on Thursday, its money-making juggernaut stalled by a slowdown in pandemic-induced online shopping and a huge write-down of its investment in an electric-vehicle startup.

The Seattle-based e-commerce giant's stock almost 10% in after-hours trading.

Amazon reported a loss of \$3.84 billion, or \$7.56 a share, for the first three months of the year. A year ago, it reported a profit of \$8.1 billion, or \$15.79 a share, for the first quarter. Wall Street analysts expected a profit of \$8.35 a share in the latest quarter, according to FactSet.

The ocean of red ink in Amazon's report came from the company's accounting for a \$7.6 billion loss in value of its stock investment in Rivian Automotive.

Still, the slowdown in online spending is real and broad-based. While in-store sales rose, March is the first month to show decline in [online sales](#) since the pandemic began, according to Mastercard SpendingPulse, which tracks spending made over the Mastercard payments network and survey estimates for other payments made with cash and checks.

Amazon prospered during the COVID-19 pandemic as homebound people eager to limit human contact turned online to purchase what they need. But growth has slowed as vaccinated Americans feel more comfortable going out. According to the e-commerce research firm MarketPlace Pulse, the value of goods sold on Amazon last year grew by half the rate compared to 2020.

Like many others, Amazon is dealing with pressure from inflation, supply-chain issues and labor shortages. Last quarter, the company hiked its annual Prime membership fee by \$20, a first since 2018. To offset rising [fuel costs](#) and inflation, it has also added a 5% surcharge to fees it charges third-party sellers who use its fulfillment services.

Revenue rose 7% to \$116.44 billion, compared with \$108.52 billion in [first quarter](#) 2021, representing the company's sixth consecutive quarter

of revenue topping \$100 billion. Amazon had projected sales between \$112 billion and \$117 billion. Analysts surveyed by FactSet were expecting \$116.5 billion.

The results come as the company faces a growing unionization push from inside its workforce. A second union election is currently underway at a company warehouse on Staten Island, New York, the same borough where workers at a nearby facility voted to unionize earlier this month. Amazon has filed objections over the election with the National Labor Relations Board and is [seeking to re-do](#) the vote.

The final outcome of a separate union election in Bessemer, Alabama, is still up in the air with 416 outstanding challenged ballots hanging in the balance. Hearings to review the ballots are expected to begin in the coming weeks.

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