

Amazon quarterly profit triples to \$6.3 bn on retail, cloud

29 October 2020



Amazon said profits grew in the past quarter on robust retail sales and gains in cloud computing

Amazon's third-quarter profits tripled from a year ago on strong retail sales during the pandemic and growth in cloud computing, the company announced Thursday

Profit increase to \$6.3 billion compared with \$2.1 billion a year ago while revenues jumped 37 percent to \$96 billion for the technology and retail colossus.

Shares in Amazon, which saw gains in both retail and its cloud computing, dipped around one percent in after-hours trading following the earnings report.

The results come as Amazon and other tech giants are under intense scrutiny in the US and elsewhere for their growing dominance of key economic sectors.

The Big Tech firms have held strong in the pandemic by offering goods and connectivity for consumers staying at home.

Amazon also has faced criticism for how it

manages its "marketplace" of third-party sellers.

Amazon chief executive Jeff Bezos used the update to tout the company's leadership on minimum wage as it bolsters its global workforce to about one million.

"Two years ago, we increased Amazon's minimum wage to \$15 for all full-time, part-time, temporary, and seasonal employees across the US and challenged other large employers to do the same," Bezos said.

While a small number of rivals have followed, Bezos said "now would be a great time," for others to do so.

"We're proud to have created over 400,000 jobs this year alone. We're seeing more customers than ever shopping early for their holiday gifts, which is just one of the signs that this is going to be an unprecedented holiday season," Bezos said.

The company said its cloud division Amazon Web Services saw revenue growth of 28 percent in the quarter to \$11.6 billion.

The cloud growth and a weaker-than-expected outlook for the crucial holiday quarter may have hurt Amazon's standing with investors and undermined its share price.

Amazon said net sales for the key year-end shopping season are expected to be between \$112 billion and \$121 billion, growing 28 to 38 percent.

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