Operating income and segments

Amazon letters: 2024, 2023 · Difficulty: Intro

> *"Amazon's operating income in 2024 improved 86% YoY, from $36.9B (an operating margin of 6.4%) to $68.6B (an operating margin of 10.8%)." (2024)*

1. In 2024 Amazon's revenue was $638 billion and its operating income was $68.6 billion (2024 letter). What was its operating margin (%, one decimal)? _____

2. Amazon reports three segments: North America, International and AWS. Why do segment results matter to readers?

   A. They report each segment's share price

   B. They show which parts of the business produce the revenue and operating income

   C. They replace the income statement

   D. They are used only for income taxes

Source: Andrew R. Jassy, Letters to Amazon.com Shareholders: 2024, 2023 (ir.aboutamazon.com). Quotation © Amazon.com, Inc., all rights reserved; reproduced in part for non-commercial teaching. Numbers in the questions are made up unless stated.