

Amazon Profits: Why it's Finally 'Jam Today'

International e-delivery experts ParcelHero says Amazon's recent surprise quarterly profit shows Amazon's "Jam tomorrow" transport plans are finally coming good.

Following Amazon's surprise profit announcement and better-than-expected sales figures revealed last month, international e-commerce delivery specialists <u>ParcelHero</u> says that the company's continued massive investment in its revolutionary logistics plans are beginning to pay off.

And ParcelHero's Head of Public Relations, David Jinks MILT, says the huge logistics investment shows no sign of stopping. '<u>Retail Week</u> has revealed just today that Amazon has leased a former Tesco warehouse in Surrey, paving the way for the launch of Amazon's Fresh service in the UK.'

Says David: 'For Amazon's long-suffering investors, it has always been the promise of "jam tomorrow" that has kept them holding on, through the considerable expense of building a radical new supply chain. Now that Amazon's logistics arm is finally in place, its shareholders can finally enjoy their jam today.'

Amazon reported a \$92m profit compared to a \$126m loss for the same period a year ago, and sales also rose 20% to \$23.2bn in the second quarter to the end of June. Explains David: 'The secret behind these surprise profits is that Amazon continually invested significant sums in order to deliver its new Amazon Logistics arm. With Amazon Logistics in place it can service its Prime members, a hugely loyal and lucrative market. It can now deliver Prime Same Day, Same Hour and even Fresh services in many areas of the US and also - thanks to its warehouse investment revealed just today - in London as well; bypassing traditional delivery companies such as FedEx, UPS and the UK's Royal Mail.'

David continues 'ParcelHero has been saying for some time that Amazon stands to save \$3bn globally, and \pounds 122 million in the UK alone, by cutting down on the use of external delivery companies, and could look to its logistics arm becoming a net income source rather than a \$5.13bn yearly expense. Last month's figures show some of its long term logistics plans beginning to come good and win the company significant savings.'

Concludes David: 'ParcelHero recently marked the 20th anniversary of Amazon with a significant new industry report, <u>Amazon's Prime Ambition</u>, revealing the scale of Amazon's plans to become the conduit through which all aspects of e-commerce and logistics flows. The introduction of Amazon Same Day and Fresh services overseas was predicted in our report, which shines a spotlight on the extent of Amazon's plans to revolutionise the global supply chain and cut out the middleman.'

For more information see: <u>https://www.parcelhero.com/news/parcel-talk/amazons-prime-ambition-parcelhero-industry-report-2965</u>

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competitive pricing with no compromise in service quality.

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