Amazon Made Nearly $14B From Advertising in the First Quarter

The numbers

$13.9 billion — How much Amazon made on its advertising services during Q1 of 2025, up 18% compared to Q1 of 2024.

$155.7 billion — Amazon's net sales for Q1 of 2025, a 9% increase from last year.

$18.4 billion — Amazon's Q1 operating income, up 20% year-over-year.

$29.3 billion — Net sales for Amazon Web Services this quarter, up 17% year-over-year.

85% — The proportion of the global IT market spend that's still on premises, rather than in the cloud, according to Amazon chief executive officer Andy Jassy. He expects that to flip in the next 10 to 20 years, which could spell huge growth for AWS.

54.6 million — The number of people that watched Amazon Prime Video's Reacher's season three debut in the first 19 days after its release in February.

$159 to 164 billion — Amazon's forecasted net sales for Q2.

The watercooler talk

Amazon’s advertising business continues to outpace its overall growth. Ad services grew 18% year-over-year. Net sales meanwhile had a growth rate of half that.

Customer experience is going to be reinvented by agentic AI, Jassy said, and because so many of the startups innovating around AI agents are using AWS, that’s going to continue to lead to more growth for that portion of the business.

Uncertainty around tariffs, and how those tariffs will impact consumer demand throughout the year, loomed over the call.

“It’s hard to tell what’s going to happen with tariffs right now,” Jassy said. “It’s hard to tell where they’re going to settle and when they’re going to settle.”

Still, Jassy also noted that average prices haven’t “appreciably” increased yet, largely because sellers haven’t changed prices so far. That’ll likely change, but it’s unclear exactly what the impact will be, he said.

The key quote

Alexa+, the version of Amazon’s AI agent Alexa that launched in February, is “much more intelligent, much more capable and able to take real action,” Jassy said. So far, there are more than 100,000 people using Alexa+.

“We have over a half billion devices out there in people’s homes and offices and cars, so we have a lot of distribution already,” Jassy said. But there’ll be a learning curve for people as they get used to her increased capabilities and start to use the tech as a personal assistant, he explained.

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