

AMAZON.COM

NDQ-AMZN

RECENT PRICE **3409.00**

P/E RATIO **NMF** (Trailing: NMF Median: NMF)

RELATIVE P/E RATIO **NMF**

DIV'D YLD **Nil**

VALUE LINE

TIMELINESS 1 Raised 4/9/21
SAFETY 1 Raised 11/6/20
TECHNICAL 4 Lowered 4/23/21
BETA .75 (1.00 = Market)

High: 185.6 246.7 264.1 405.6 408.1 696.4 847.2 1213 2050 1964 3552 3435
 Low: 105.8 160.6 172.0 245.8 284.0 285.3 474.0 747.7 1170 1460 1626 2881

LEGENDS
 — 24.0 x "Cash Flow" p sh
 ... Relative Price Strength
 Options: Yes
 Shaded area indicates recession



Target Price Range		
2024	2025	2026
		2500
		1250
		800
		600
		500
		400
		300
		250
		200

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$2649-\$5070 \$3860 (15%)

2024-26 PROJECTIONS
 Price Gain Ann'l Total
 High 5590 (+65%) 13%
 Low 4575 (+35%) 8%

Institutional Decisions
 2020 3020 4020
 to Buy 1654 1490 2042
 to Sell 1343 1520 1257
 Hlds(000) 288412 284191 285065

Percent shares traded
 75
 50
 25

% TOT. RETURN 3/21		
THIS STOCK	VL ARITH. INDEX	
1 yr. 58.7	99.7	
3 yr. 113.8	51.6	
5 yr. 421.2	100.0	

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
20.41	25.87	35.66	44.78	55.20	75.84	105.65	134.40	162.11	191.63	227.19	285.09	367.49	474.31	563.30	767.52	881.10	1029.65	Revenues per sh	1659.20
1.10	.95	1.74	2.07	2.88	3.81	3.77	5.04	7.68	9.70	14.60	21.99	28.35	51.76	67.02	92.61	100.85	118.55	"Cash Flow" per sh	188.90
.79	.45	1.12	1.39	2.04	2.53	1.37	.29	.59	d.52	1.25	4.90	4.55	20.14	23.01	41.83	47.55	64.45	Earnings per sh ^A	127.00
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.49	.52	.54	.78	.84	2.17	3.98	8.33	7.50	10.54	9.74	14.12	24.70	27.35	33.86	79.80	49.50	58.80	Cap'l Spending per sh	67.30
.59	1.04	2.88	6.24	11.84	15.22	17.05	18.02	21.22	23.13	28.42	40.43	57.25	88.69	124.62	185.69	246.45	344.90	Book Value per sh	730.60
416.00	414.00	416.00	428.00	444.00	451.00	455.07	454.55	459.26	464.38	471.00	477.00	484.00	491.00	498.00	503.00	505.00	510.00	Common Shs Outst'g ^B	520.00
50.5	80.0	60.3	50.3	42.8	54.7	NMF	NMF	NMF	--	NMF	NMF	NMF	81.2	77.9	64.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	40.0
2.69	4.32	3.20	3.03	2.85	3.48	NMF	NMF	NMF	--	NMF	NMF	NMF	4.39	4.15	3.28			Relative P/E Ratio	2.20
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CAPITAL STRUCTURE as of 12/31/20
Total Debt \$31816.0 mill. Due in 5 Yrs \$13171.0 mill.
LT Debt \$31816.0 mill. **LT Interest** \$1647.0 mill. (25% of Cap'l)
Leases, Uncapitalized: \$5600.0 mill.
No Defined Benefit Pension Plan
Common Stock 503,564,743 shs. as of 1/20/21
MARKET CAP: \$1.7 trillion (Large Cap)

48077	61093	74452	88988	107006	135987	177866	232887	280522	386064	445000	525000	Revenues (\$mill)	862790
4.0%	4.6%	5.4%	5.5%	8.0%	9.0%	8.8%	11.9%	13.0%	12.5%	13.1%	13.3%	Operating Margin	13.3%
1083.0	2159.0	3253.0	4746.0	6281.0	8116.0	11478	15341	21789	25251	26500	27000	Depreciation (\$mill)	31000
631.0	130.0	274.0	d241.0	596.0	2371.0	2244.0	10073	11588	21331	24440	33450	Net Profit (\$mill)	67220
31.2%	NMF	31.8%	--	60.6%	36.6%	25.5%	10.6%	17.0%	11.8%	17.0%	17.0%	Income Tax Rate	17.0%
1.3%	2%	4%	NMF	6%	1.7%	1.3%	4.3%	4.1%	5.5%	5.5%	6.4%	Net Profit Margin	7.8%
2594.0	2294.0	1645.0	3238.0	2575.0	1965.0	2314.0	6710.0	8522.0	6348.0	40225	89000	Working Cap'l (\$mill)	278780
853.0	3084.0	3191.0	8265.0	8235.0	7694.0	24694	23495	23414	31816	33150	33500	Long-Term Debt (\$mill)	34250
7757.0	8192.0	9746.0	10741	13384	19285	27709	43549	62060	93404	124445	175895	Shareholders' Equity (\$mill)	379900
7.7%	1.6%	2.7%	NMF	3.8%	9.7%	5.1%	16.1%	14.5%	17.7%	15.5%	16.0%	Return on Total Cap'l	16.0%
8.1%	1.6%	2.8%	NMF	4.5%	12.3%	8.1%	23.1%	18.7%	22.8%	19.5%	19.0%	Return on Shr. Equity	17.5%
8.1%	1.6%	2.8%	NMF	4.5%	12.3%	8.1%	23.1%	18.7%	22.8%	19.5%	19.0%	Retained to Com Eq	17.5%
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BUSINESS: Amazon.com is one of the largest online retailers. The company opened its virtual doors in 1995. Sales breakdown (2020): North America; 62% of sales. International sales, 27% of total. Amazon Web Services (AWS), 11%. Third-party sellers (Marketplace) account for about 20% of sales. Seasonality: Q4 accounted for 23% of '20 revenue. Acquired Audible.com, '08, Zappos, '09, Whole Foods Market, '17. Has about 1,298,000 employees. Officers/dir. own 15.1% of common stock (including Mr. Bezos' 15.1%); Vanguard, 6.4% (4/20 proxy). President, Chairman & Chief Executive Officer: Jeffrey Bezos. Incorporated: Delaware. Address: 410 Terry Avenue North, Seattle, WA 98109. Telephone: 206-266-1000. Internet: www.amazon.com.

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2018	51042 52886 56576 72383	232887
2019	59700 63404 69981 87437	280522
2020	75452 88912 96145 125555	386064
2021	90200 103640 110875 140285	445000
2022	110200 123640 130875 160285	525000

Cal-endar	EARNINGS PER SHARE ^A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2018	3.27 5.07 5.75 6.04	20.14
2019	7.09 5.22 4.23 6.47	23.01
2020	5.01 10.30 12.37 14.09	41.83
2021	10.65 11.05 11.55 14.30	47.55
2022	14.90 15.25 15.75 18.55	64.45

Cal-endar	QUARTERLY DIVIDENDS PAID	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2017		
2018		
2019		
2020		
2021		

Since our February review, shares of Amazon.com have ticked slightly higher. In fact, the equity's quotation rose about 3.5% over that interim, likely reflecting better-than-expected financial results for 2020. We think the uptick in the stock's price was on the smaller side, due to AMZN already more than doubling in price over the course of last year and, therefore, the stock had already realized much of that earnings growth potential. **Meanwhile, we look for the online retailer to post significant gains in the first quarter of this year.** (Note: The company was expected to issue its March-period results shortly after this report went to press.) AMZN's top line likely advanced about 20%, to \$90.2 billion, thanks to solid traction as consumers continue to opt for online purchases and at-home delivery during the COVID-19 pandemic. Meanwhile, last year's first quarter was impacted heavily by rising costs associated with the early days of the coronavirus. As a result, the rising volumes and reduced costs ought to drive the March-earnings more than 110% higher, to \$10.65 a share.

Gains on an annual basis appear positioned to be a bit more moderate. In fact, we look for revenues and earnings to register increases of about 15% and 14%, to \$445 billion and \$47.55 a share, respectively. The latter portion of 2020 reflected greatly higher volumes as the broader swathe of the population opted to shop online in lieu of brick-and-mortar stores. Thus, those results make for more-challenging comparisons. Some interesting developments that should benefit this year's performance include Amazon Prime securing the exclusive broadcast rights for Thursday night football; new fulfillment centers in Tennessee and Texas; and some new offerings by Amazon Web Services (AWS) like elastic file storage and Red Hat. AWS has also been selected by the NHL and PGA Tour as their service provider. Finally, we are introducing our 2022 top- and bottom-line estimates at \$525 billion and \$64.45 a share, respectively. **On balance, these shares are timely.** What's more, the high-quality equity offers attractive 3- to 5-year capital appreciation potential.

Bryan J. Fong
May 7, 2021

(A) Diluted earnings. Includes stock-based compensation: '05, (20c); '06, (24c); '07, (44c); '08, (64c); '09, (77c). Excludes other nonrecurring items: '05, 1c; '08, 10c; '12, (38c); '17, \$1.60. Qlty. revenues and egs. may not sum due to rounding. Next earnings report due late July.	(B) In millions.	Company's Financial Strength	A++
		Stock's Price Stability	80
		Price Growth Persistence	95
		Earnings Predictability	15