

AMAZON.COM

NDQ-AMZN

RECENT PRICE **3320.37**

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 2 Raised 10/22/21
BETA .70 (1.00 = Market)

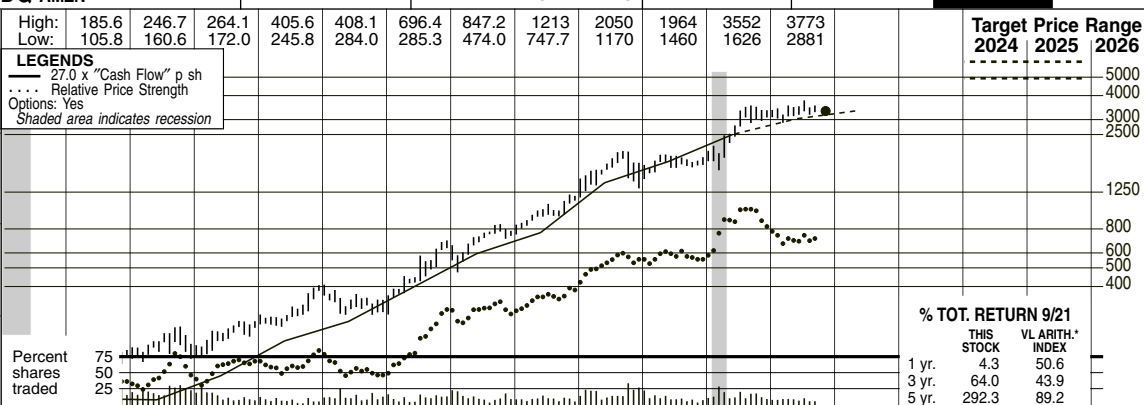
High: 185.6 246.7 264.1 405.6 408.1 696.4 847.2 1213 2050
 Low: 105.8 160.6 172.0 245.8 284.0 285.3 474.0 747.7 1170

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

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$2912-\$5568 \$4240 (30%)

2024-26 PROJECTIONS
 Price Gain Ann'l Total
 High 6025 (+80%) 16%
 Low 4930 (+50%) 10%

Institutional Decisions
 4Q2020 1Q2021 2Q2021
 to Buy 2042 1930 2116
 to Sell 1257 1418 1189
 Hld's(000) 285065 288672 292367



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	940.60	1107.85	Revenues per sh	1783.70
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	112.00	124.20	"Cash Flow" per sh	198.90
.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	58.50	70.00	Earnings per sh A	136.90
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.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	257.55	361.55	Book Value per sh	772.55
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
NMF	NMF	NMF	NMF	42.8	NMF	NMF	NMF	NMF	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Avg Ann'l P/E Ratio	40.0
NMF	NMF	NMF	NMF	2.85	NMF	NMF	NMF	NMF	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Relative P/E Ratio	2.20
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	Nil

Percent shares traded
 75
 50
 25

CAPITAL STRUCTURE as of 6/30/21
Total Debt \$50279.0 mill. Due in 5 Yrs \$13171.0 mill.
LT Debt \$31868.0 mill. **LT Interest** \$1647.0 mill. (31% of Cap'l)
Leases, Uncapitalized: \$5600.0 mill.
No Defined Benefit Pension Plan
Common Stock 506,440,520 shs. as of 7/21/21
MARKET CAP: \$1.7 trillion (Large Cap)

48077	61093	74452	88988	107006	135987	177866	232887	280522	386064	475000	565000	Revenues (\$mill)	927525
4.0%	4.6%	5.4%	5.5%	8.0%	9.0%	8.8%	11.9%	13.0%	12.5%	13.7%	13.0%	Operating Margin	13.0%
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	30070	36330	Net Profit (\$mill)	72415
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%	6.3%	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	45850	96050	Working Cap'l (\$mill)	299120
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	130075	184405	Shr. Equity (\$mill)	401735
7.7%	1.6%	2.7%	NMF	3.8%	9.7%	5.1%	16.1%	14.5%	17.7%	18.5%	17.0%	Return on Total Cap'l	16.5%
8.1%	1.6%	2.8%	NMF	4.5%	12.3%	8.1%	23.1%	18.7%	22.8%	23.0%	20.0%	Return on Shr. Equity	18.0%
8.1%	1.6%	2.8%	NMF	4.5%	12.3%	8.1%	23.1%	18.7%	22.8%	23.0%	20.0%	Retained to Com Eq	18.0%
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CURRENT POSITION	2019	2020	6/30/21
Cash Assets	55021	84396	89894
Inventory (Avg Cst)	20497	23795	24119
A/R & Other	20816	24542	26835
Current Assets	96334	132733	140848
Accts Payable	47183	72539	66090
Debt Due	--	--	18411
Other	40629	53846	33291
Current Liab.	87812	126385	117792

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20
of change (per sh)			to '24-'26
Revenues	26.0%	25.5%	20.0%
"Cash Flow"	37.5%	46.0%	19.0%
Earnings	30.5%	130.0%	30.0%
Dividends	--	--	Nil
Book Value	28.0%	40.5%	34.0%

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	108518	113080	118000	135402	475000
2022	132250	135750	137750	159250	565000

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	15.79	15.12	13.30	14.29	58.50
2022	19.40	16.10	16.60	17.90	70.00

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

NO CASH DIVIDENDS BEING PAID

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 14.0% of common stock (including Mr. Bezos' 14.0%); Vanguard, 6.4% (4/21 proxy). President & Chief Executive Officer: Andrew R. Jassy. Incorporated: Delaware. Address: 410 Terry Avenue North, Seattle, Washington 98109. Telephone: 206-266-1000. Internet: www.amazon.com.

Since our August review, shares of Amazon.com have staged a correction. Over that period, AMZN's price declined about 10%. However, the company posted strong results so far this year.

In fact, the June-quarter financials were better than we had expected. To that point, revenues advanced more than 27%, to \$113.1 billion thanks to continual rising demand as consumers gravitate toward online shopping and at-home delivery services. This was modestly above our call for \$112.0 billion. We think the COVID-19 pandemic helped to push some of the late adopters to e-tailers. Now that they have tried it, many will likely appreciate the convenience factor and continue to utilize services like Amazon. On the profitability front, total expenses declined 30 basis points as a percentage of the top line. All told, these factors drove the bottom line 46.7% higher, to \$15.12 per share, besting our estimate of \$12.50.

As a result of the better-than-expected performance, we have raised our 2021 share-net estimate by \$2.90, to \$58.50. Our revised figure would represent a nearly 40% year-over-year increase. This hefty

advance ought to reflect a 20%-25% rise in revenues, to \$475 billion, thanks to continued widespread consumer shifts toward online shopping, as well as from a wider geographic reach. Amazon continues to add new fulfillment centers to allow for higher volumes and quicker delivery times. It recently opened new distribution centers in North Dakota, Florida, and Maryland. Meanwhile, the Amazon Web Services (AWS) segment continues to be selected as the cloud provider of choice by many well-known businesses. To handle the increased workload, the company keeps opening new data centers. The most recent was in New Zealand. This steady momentum ought to continue into the foreseeable future, especially when you factor in large acquisitions like the plans to purchase MGM Movie Studios for \$8.45 billion.

Shares of Amazon.com are timely. And, the stock offers above-average upside potential for the pull to 2024-2026. That said, value investors may want to proceed with caution as the stock trades at a high price-to-earnings multiple.

Bryan J. Fong November 5, 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 Jan.

(B) In millions.

Company's Financial Strength	A++
Stock's Price Stability	80
Price Growth Persistence	100
Earnings Predictability	25

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