

AMAZON.COM

NDQ-AMZN

RECENT PRICE **2890.88**

P/E RATIO **NMF** (Trailing: 56.6) (Median: NMF)

RELATIVE P/E RATIO **NMF**

DIV'D YLD

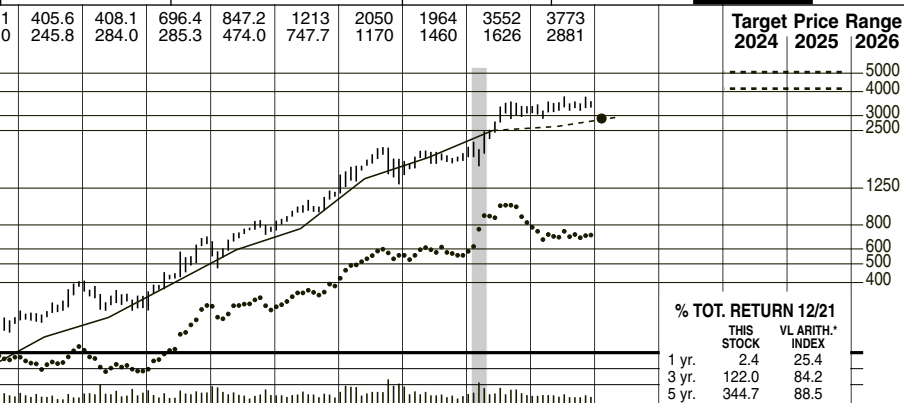
Nil

VALUE LINE

TIMELINESS 1 Raised 4/9/21
SAFETY 1 Raised 11/6/20
TECHNICAL 2 Raised 1/14/22
BETA .70 (1.00 = Market)

High: 185.6 246.7 264.1 405.6 408.1 696.4 847.2 1213 2050 1964 3552 3773
 Low: 105.8 160.6 172.0 245.8 284.0 285.3 474.0 747.7 1170 1460 1626 2881

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)
 \$3139-\$6066 \$4603 (60%)

2024-26 PROJECTIONS
 Price Gain Ann'l Total
 High 5070 (+75%) 15%
 Low 4145 (+45%) 10%

Institutional Decisions
 10/2021 2/2021 3/2021
 to Buy 1930 2116 2060
 to Sell 1418 1189 1252
 Hld's(000) 288672 292367 291808

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	920.80	1107.85	Revenues per sh	1785.25	
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	97.25	109.40	"Cash Flow" per sh	176.80	
.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	44.00	55.50	Earnings per sh A	115.20	
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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	242.80	332.20	Book Value per sh	687.20	
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	NMF	Avg Ann'l P/E Ratio	40.0
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CAPITAL STRUCTURE as of 9/30/21
Total Debt \$50055.0 mill. Due in 5 Yrs \$13171.0 mill.
LT Debt \$50055.0 mill. **LT Interest** \$1647.0 mill. (29% of Cap'l)
Leases, Uncapitalized: \$5600.0 mill.
No Defined Benefit Pension Plan
Common Stock 507,147,620 shs. as of 10/20/21
MARKET CAP: \$1.5 trillion (Large Cap)

48077	61093	74452	88988	107006	135987	177866	232887	280522	386064	465000	565000	Revenues (\$mill)	928335
4.0%	4.6%	5.4%	5.5%	8.0%	9.0%	8.8%	11.9%	13.0%	12.5%	12.0%	11.5%	Operating Margin	11.5%
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	22615	28805	Net Profit (\$mill)	60945
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%	4.9%	5.1%	Net Profit Margin	6.6%
2594.0	2294.0	1645.0	3238.0	2575.0	1965.0	2314.0	6710.0	8522.0	6348.0	38400	82550	Working Cap'l (\$mill)	256215
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	122620	169425	Shr. Equity (\$mill)	357335
7.7%	1.6%	2.7%	NMF	3.8%	9.7%	5.1%	16.1%	14.5%	17.7%	14.5%	14.0%	Return on Total Cap'l	15.5%
8.1%	1.6%	2.8%	NMF	4.5%	12.3%	8.1%	23.1%	18.7%	22.8%	18.5%	17.0%	Return on Shr. Equity	17.0%
8.1%	1.6%	2.8%	NMF	4.5%	12.3%	8.1%	23.1%	18.7%	22.8%	18.5%	17.0%	Retained to Com Eq	17.0%
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Cal-endar	QUARTERLY REVENUES (\$ mill.) A	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2018	51042	52886	56576	72383	232887
2019	59700	63404	69981	87437	280522
2020	75452	88912	96145	125555	386064
2021	108518	113080	110812	132590	465000
2022	132250	135750	137750	159250	565000

Cal-endar	EARNINGS PER SHARE A	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
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	6.12	6.97	44.00
2022	11.50	14.00	14.00	16.00	55.50

Cal-endar	QUARTERLY DIVIDENDS PAID	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2018					
2019					
2020					
2021					
2022					

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 and directors 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 November review, shares of Amazon.com have declined nearly 13% in price. The selloff was due to a weak third quarter. **The September-period results were lower than expected.** On the upside, revenues did advance 15.3%, to \$110.8 billion, thanks to moderate growth at the North American segment of 10.4%, that was aided by heftier gains at the International and Amazon Web Services (AWS) divisions of 15.8% and 38.9%, respectively. Still, that figure was below our call of \$118.0 billion. On the profitability front, operating expenses increased 460 basis points as a percentage of the top line. On balance, AMZN's lighter volumes, pressured margins, and drove the bottom line more than 50% lower, to \$6.12 per share, falling well short of our outlook of \$13.30. **Consequently, we now look for the on-line retailer to post a more modest 2021 earnings advance of about 5%, to \$44.00 per share.** Amazon's top line probably increased roughly 20% for last year, to \$465 billion. However, the benefits of those solid volumes were likely offset by tighter margins as operating expenses

ticked higher. We think costs related to the COVID-19 pandemic and supply-chain bottlenecks were also likely to blame. **Top- and bottom-line momentum should improve in 2022.** Amazon appears well positioned for revenue gains to exceed 20% this year, thanks to continued geographic expansion, like the recent push into Indonesia. Additionally, the AWS unit announced new offerings like Cloud WAN, Amplify Studio, a new visual development environment. Other collaborations like plans to help Pfizer accelerate drug development and clinical manufacturing, and being selected as the preferred cloud provider by AIG, United Airlines, and RicheMont are all bonuses. Moreover, the planned \$8.45 billion purchase of MGM Movie Studios is expected to close this year. Assuming some of the cost constraints ease in the upcoming year, earnings may well rise in excess of 25%, to \$55.50 a share. **Even after reducing our estimates, Amazon.com shares are compelling in both the short and long terms.**
Bryan J. Fong
 February 4, 2022

(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 April.	(B) In millions.	Company's Financial Strength	A++
		Stock's Price Stability	80
		Price Growth Persistence	90
		Earnings Predictability	30