AMAZON.COM NDQ-AMZN

RECENT PRICE **225.94** | P/E RATIO **39.6** (Trailing: 48.4 Median: NMF) | RELATIVE P/E RATIO **2.13** | DIV'D YLD **Nil** | VALUE LINE

TIMELINESS 2 Raised 11/29/24
SAFETY 2 Lowered 2/3/23
TECHNICAL 3 Raised 1/24/25
BETA .85 (1.00 = Market)

18-Month Target Price Range
Low-High Midpoint (% to Mid)
$194-$376 $285 (25%)

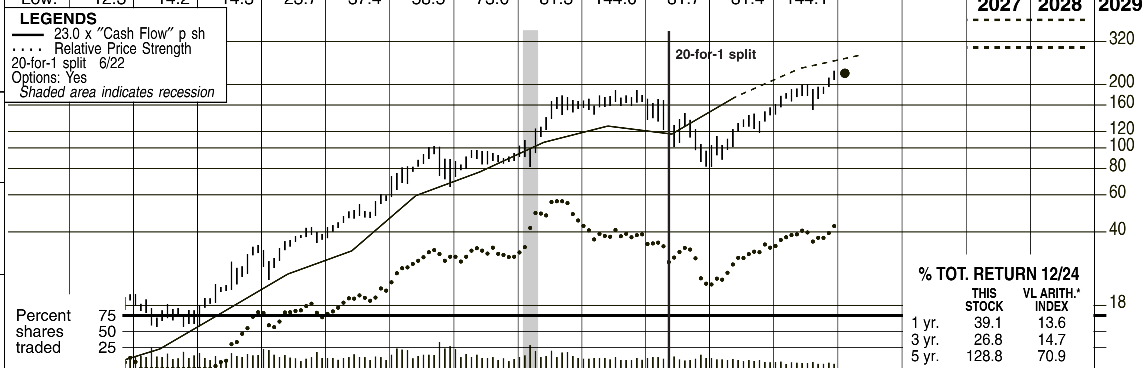
2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	405	(+80%)	16%
Low	300	(+35%)	8%

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	2505	2670	2696
to Sell	1915	1820	1828
Hld's(000)	6330353	6513550	7104992

High:	20.3	20.4	34.8	42.4	60.7	102.5	98.2	177.6	188.7	171.4	155.6	233.0
Low:	12.3	14.2	14.3	23.7	37.4	58.5	73.0	81.3	144.0	81.7	81.4	144.1



% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	39.1	13.6
3 yr.	26.8	14.7
5 yr.	128.8	70.9

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
2.24	2.76	3.79	5.28	6.72	8.11	9.58	11.36	14.25	18.37	23.72	28.16	38.38	46.15	50.18	55.36	61.25	67.35	Revenues per sh	95.25
.10	.14	.19	.19	.25	.38	.49	.73	1.10	1.42	2.59	3.35	4.63	5.53	5.07	7.62	10.35	12.10	"Cash Flow" per sh	16.05
.07	.10	.13	.07	.01	.03	d.03	.06	.25	.23	1.01	1.15	2.09	2.14	.98	2.90	5.15	6.15	Earnings per sh A	8.90
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.04	.04	.11	.20	.42	.38	.53	.49	.71	1.24	1.37	1.69	3.99	6.00	6.21	5.08	5.85	6.00	Cap'l Spending per sh	6.65
.31	.59	.76	.85	.90	1.06	1.16	1.42	2.02	2.86	4.43	6.23	9.28	13.58	14.26	19.44	25.55	29.80	Book Value per sh	41.75
8560.0	8880.0	9020.0	9101.4	9091.0	9185.3	9287.7	9420.0	9540.0	9680.0	9820.0	9960.0	10060	10180	10242	10383	10400	10500	Common Shs Outst'g B	10500
NMF	42.8	NMF	NMF	NMF	NMF	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	41.9	35.8		Avg Ann'l P/E Ratio	39.5
NMF	2.85	NMF	NMF	NMF	NMF	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	2.34	1.99		Relative P/E Ratio	2.20
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CAPITAL STRUCTURE as of 9/30/24

Total Debt $54.9 bill. **Due in 5 Yrs** $27.9 bill.
LT Debt $54.9 bill. **LT Interest** $2.4 bill.
(25% of Cap'l)

Leases, Uncapitalized: $9.6 bill.

No Defined Benefit Pension Plan

Common Stock 10,515,011,008 shs.
as of 10/18/24

MARKET CAP: $2.38 trillion (Large Cap)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		27-29
88988	107006	135987	177866	232887	280522	386064	469822	513983	574785	637000	707000	Revenues ($mill)	1000000
5.5%	8.0%	9.0%	8.8%	11.9%	13.0%	12.5%	12.6%	10.5%	14.9%	18.0%	20.0%	Operating Margin	20.0%
4746.0	6281.0	8116.0	11478	15341	21789	25251	34296	41921	48663	53000	60000	Depreciation ($mill)	75000
d241.0	596.0	2371.0	2244.0	10073	11588	21331	22014	9978.0	30425	54875	67265	Net Profit ($mill)	93600
--	60.6%	36.6%	25.5%	10.6%	17.0%	11.8%	16.5%	16.5%	19.0%	18.0%	18.0%	Income Tax Rate	20.0%
NMF	.6%	1.7%	1.3%	4.3%	4.1%	5.5%	4.7%	1.9%	5.3%	8.6%	9.5%	Net Profit Margin	9.4%
3238.0	2575.0	1965.0	2314.0	6710.0	8522.0	6348.0	19314	d8602	7434.0	13340	15675	Working Cap'l ($mill)	20000
8265.0	8235.0	7694.0	24694	23495	23414	31816	48744	67150	58391	54000	50000	Long-Term Debt ($mill)	75000
10741	13384	19285	27709	43549	62060	93404	138245	146043	201875	265750	313010	Shr. Equity ($mill)	438375
NMF	3.8%	9.7%	5.1%	16.1%	14.5%	17.7%	12.3%	5.2%	11.8%	17.0%	18.5%	Return on Total Cap'l	18.0%
NMF	4.5%	12.3%	8.1%	23.1%	18.7%	22.8%	15.9%	6.8%	15.1%	20.5%	21.5%	Return on Shr. Equity	21.0%
NMF	4.5%	12.3%	8.1%	23.1%	18.7%	22.8%	15.9%	6.8%	15.1%	20.5%	21.5%	Retained to Com Eq	21.0%
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CURRENT POSITION ($MILL.)	2022	2023	9/30/24
Cash Assets	70026	86780	88051
Inventory (Avg Cst)	34405	33318	36103
A/R & Other	42360	52253	51638
Current Assets	146791	172351	175792
Accts Payable	79600	84981	84570
Debt Due	--	--	--
Other	75793	79936	76907
Current Liab.	155393	164917	161477

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	22.5%	22.0%	11.0%
"Cash Flow"	36.5%	29.0%	15.5%
Earnings	49.0%	32.5%	24.5%
Dividends	--	--	Nil
Book Value	32.5%	38.5%	14.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	108518	113080	110812	137412	469822
2022	116444	121234	127101	149204	513983
2023	127358	134383	143083	169961	574785
2024	143313	147977	158877	186833	637000
2025	158000	165000	176000	208000	707000

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.79	.76	.31	.29	2.14
2022	.37	.18	.17	.25	.98
2023	.31	.65	.94	1.00	2.90
2024	.98	1.26	1.43	1.48	5.15
2025	1.40	1.40	1.60	1.75	6.15

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	NO CASH DIVIDENDS BEING PAID				
2022					
2023					
2024					
2025					

BUSINESS: Amazon.com is one of the largest online retailers. The company opened its virtual doors in 1995. Sales breakdown (2023): North America; 61% of sales. International sales, 23% of total. Amazon Web Services (AWS), 16%. Third-party sellers (*Marketplace*) account for about 23% of sales. Seasonality: Q4 accounted for 30% of '23 revenue. Acquired Audible.com, '08, Zappos, '09, Whole Foods Market, '17. Has about 1,525,000 employees. Officers and directors own 10.8% of common stock (including Exec. Chair Jeffrey Bezos' 10.8%); Vanguard, 7.4% (4/24 proxy). President & CEO: Andrew R. Jassy. Incorporated: Delaware. Address: 410 Terry Avenue North, Seattle, Washington 98109. Telephone: 206-266-1000. Internet: www.amazon.com.

We have raised our 2025 earnings estimate and long-term projections for Amazon once again. Revenues in the third quarter climbed 11%, a bit above our forecast, but margin expansion helped earnings surpass our estimate by $0.28 per share. Our previous margin assumptions appear conservative and we are widening them to account for better profitability at Amazon Web Services (AWS) and new initiatives. Future customer benefits from artificial intelligence have been well-publicized, but Amazon is already realizing savings internally, whether through robotics, enhanced customer services or fulfillment (see below). All in all, we now see this year's bottom line approaching $6.15 per share, and 2027-2029 approximating $8.90 per share.

Amazon Web Services (AWS) continues to hold its leading share position. In the most recent publicly available quarter, AWS revenue grew 19% year over year. This pace may decelerate to the low double-digits experienced early last year, considering tougher comparisons, but possible challenges around security, relative performance, competitive partnerships, or even GPU supplies continue to be met easily. The release of more generative artificial intelligence products (e.g. *Amazon Nova*, foundational models) should maintain its leading position with customers and developers alike.

Optimizing distribution is still a priority. After enhancing its outbound network capabilities in previous years, management has turned greater attention to fulfillment. In the third quarter, 15 inbound centers were opened and new measures were put in place to more efficiently manage inventories.

Newer initiatives have a long runway for growth. An expansion into health products, such as pharmaceutical delivery, is just in the beginning stages, as is the advertising business. The Prime membership model carries a solid recurring revenue model to help fund capex (in fact, free cash flow doubled over the last year versus the prior 12-month period.)

The stock is suitable for both short-term and long-term investors. Valuation is not demanding on a historical basis and fundamentals are quite solid.

Charles C. Moran *January 31, 2025*

(A) Diluted earnings. Includes stock-based compensation: '08, (64¢); '09, (77¢). Excludes other nonrecurring items: '08, 10¢; '12, (38¢); '17, $1.60; '21, $21.95; '22, ($1.25). Quarterly revenues and earnings may not sum due to rounding. Next earnings report due early February.
(B) In millions.

Company's Financial Strength	A++
Stock's Price Stability	70
Price Growth Persistence	75
Earnings Predictability	40