

<b>Company:</b> <u>Amazon</u> <b>Ticker:</b> <u>AMZN</u> <b>Current price:</b> <u>\$95.79</u> <b>Industry:</b> <u>Consumer Cyclical</u> <b>Sub-industry:</b> <u>Internet Retail</u>			
Target Price: <u>\$133</u>	TTM P/E: <u>84.0</u>	Beta: <u>1.22</u>	Market Cap: <u>1.02</u>
Stop Loss: <u>\$76</u>	Forward P/E: <u>40.06</u>	Credit Rating: <u>AA</u>	Avg Vol (12M): <u>80.94 mil</u>
52 Week High/Low: <u>170.83/81.43</u>	EPS: <u>-27</u>	Rating Outlook: <u>AA</u>	Dividend Yield: <u>0</u>

**Company Background:**  
Amazon.com Inc (Amazon) is an online retailer and web service provider. The company provides products such as apparel, auto and industrial items, beauty and health products, electronics, grocery, books, games, jewelry, kids and baby products, movies, music, sports goods, toys, tools and other related products.

**Industry Outlook:**  
The e-commerce industry has experienced rapid growth over the past decade, and Amazon has been at the forefront of this trend. As consumers increasingly turn to online shopping, Amazon has expanded its reach to capture a significant share of the market. With its vast selection of products, convenient delivery options, and competitive pricing, Amazon has become a go-to destination for shoppers worldwide. Looking ahead, the e-commerce industry is expected to continue its upward trajectory, driven by factors such as increased internet access, growing smartphone usage, and a shift in consumer preferences towards convenience and speed. Amazon is well-positioned to capitalize on these trends, with its established brand, robust logistics network, and ongoing investments in innovation. The e-commerce industry outlook is positive, and Amazon's leadership position within it makes it a compelling investment opportunity. As the company continues to innovate and expand its offerings, it is poised to benefit from the ongoing shift towards digital commerce and solidify its position as a dominant player in the space.

**Investment Thesis:**  
Amazon is a compelling investment opportunity due to its leadership position in the rapidly growing e-commerce industry, expanding ecosystem of offerings, ongoing investment in innovation and technology, and strong financial performance, making it a "buy" for long-term investors.

**3-5 take away from last quarter investor call transcript:**

- “On the first one on grocery, I'd just start by saying that we think grocery is a really important and strategic area for us. It's a very large market segment, and there's a lot of frequency in how consumers shop for groceries. And we also believe that over time, grocery is going to be omnichannel. There are going to be a lot of people that order their grocery items online and have it delivered to them, and there are going to be a lot of people who continue to buy in physical stores.” (Andy Jassy, CEO)
- “But in general, if you step back, we had some very large video properties that we had launched last year, Thursday Night Football and Lord of the Rings: Rings of Power. Both of them had record sign-ups for Prime membership. And we know that, again, investments like that will help with not only a new member or new Prime member acquisition, but also retention. And we see a direct link between that type of engagement and higher purchases of everyday products on our Amazon website.” (Brian Osalvsky, Chief Financial Officer)
- And on the question about international e-commerce, we're very enthusiastic about the business we're building there. I think just perspective, if you look at the compounded annual growth rate from 2019 to '21, in the U.K., it was over 30%; in Germany, it was 26%; in Japan, it was 21%. And the fact that we haven't given back that growth, and these are all net of FX, but if you look at even the last couple of quarters where we're continuing to grow and we haven't given back some of that growth, a meaningful amount of market segment share has shifted to our global established e-commerce territories, and we're excited about that. Now we're -- at this stage, we're big enough in our developed international territories that when there's something significant happening in the macro, we're going to be impacted as well. (Andy Jassy, CEO)

Financial performance:					Discounted Cash Flow:		
In Millions	2019	2020	2021	2022	In Millions	2018-2022	2023-2027
Revenue	280,522	386,064	469,822	513,983	Avg Revenue Growth	74.97	76.34
Operating Profit	14,541	22,899	24,879	12,248	Avg Gross Profit	172,593	317,075
Net Income	11,588	21,331	33,364	-2,722	Avg EBITDA	49,473	89,744
EBITDA%	10.1%	13.02%	12.56%	10.54%	Avg NOPLAT	16,939	16,263
Net Income Margin	4.13%	5.53%	7.10%	-0.53%	Avg FCF	9,052	27,245
D/E	2.63	2.44	2.04	2.17	Tax Rate	13.1%	-
EPS	\$1.15	\$2.16	\$3.24	\$-0.27	WACC	5.87%	-
PE Ratio	80.11	75.16	51.35	94.98	Perpetuity Growth Rate	3%	-
Current Ratio	1.10	1.05	1.14	0.95	Analyst Opinion		
ROE	21.07%	27.07%	27.98%	-1.98%	Buy:	Hold:	Sell:
ROA	5.84%	7.88%	8.98%	-0.63%		Rating	Target
Dividend/share	-	-	-	-	S&P Net Advantage	Buy	\$138
FCF	25,825.00	31,020.00	-9,069.00		Yahoo Finance	Buy	\$135.75

Relative Valuation												Total Return %		
Company Information		Financial Metrics			Valuation Metrics				Operational Metrics			CSR Characteristics		
Ticker	Firm	Market Cap	BV of Equity	Total Assets	P/Sales	P/B	P/E	P/FCF	Gross Margin	ROE	ROA	ESG Disclosure	AMZN	Industry
WMT	Wal mart	383.19	29.66	244.9	.67	4.74	22.9	55.91	24.8%	13.94%	4.75%	Governance Disclosure Score	15.2	9.8
TGT	Targ et	76.18	23.94	51.25	.74	6.92	22.5	261.53	29.8%	30.5%	6.5%	Social Disclosure Score	8.1	8.5
EBAY	Ebay	24.61	8.92	26.63	2.79	5.42	3.24	16.93	72.8%	.42%	.13%	Environmental Disclosure Score	7.0	6.7
*Industry Avg. includes companies listed														

-Prepared by MSFRM Fund 2 (2/21/2023) using Bloomberg, S&P Net Advantage, Morningstar, Yahoo Finance