

Amazon.com Inc NASDAQ: AMZN Sector: Consumer Discretionary Industry: E-Commerce	Intrinsic Value: \$ 213.02 Current Price: \$ 186.89 Stop Loss: 26% (\$158.61)	TTM P/E: 45.17x Forward P/E: 32.49x Beta: 1.15 5 Yr. ROIC: 13.24%	Market Cap: \$1.98Tr Dividend Yield: 0% 52 Wk. Range: 118.35 -201.20
--	--	--	---

Business Description: Amazon is a global leader in e-commerce, cloud computing, digital streaming, and AI, known for key brands like Amazon.com, AWS, Prime Video, Kindle, Alexa, and Whole Foods. #1 in U.S. e-commerce, holding 39.3% of U.S. online retail sales. AWS leads in cloud infrastructure, with 32% global market share. Prime Video has over 200 million subscribers, competing in the growing digital streaming market. Geographic Sales Breakdown: North America: ~61% of total revenue. International: ~27% of total revenue. AWS: Contributes 16% of total revenue, serving over 190 countries.

Industry Overview & Analysis: Global e-commerce is expected to grow at a 10.4% CAGR through 2027, with Amazon expanding internationally, especially in Asia-Pacific and Latin America. AWS, Amazon's most profitable segment, is projected to grow at 19.9% CAGR through 2025, despite rising competition. Its diversified portfolio, leadership in cloud computing, and growth in digital advertising and streaming position it well for long-term growth.

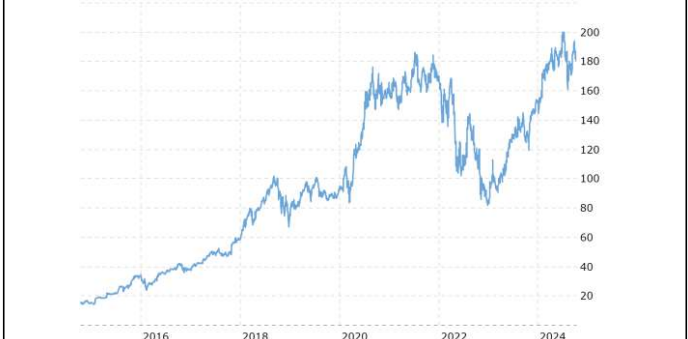
Investment Thesis: Amazon's sales growth is expected to stabilize at 10%, driven by AWS, advertising, and international e-commerce. The company aims to maintain a 50-55% gross margin through cost efficiency. With an ROIC of 13.24% above its 8.26% WACC, Amazon demonstrates strong capital efficiency, with AWS and advertising as key profit drivers.

Competitive Advantage: Amazon holds 39.3% of the U.S. e-commerce market and 32% of the global cloud infrastructure market through AWS. Its wide economic moat is reinforced by strong brand recognition, pricing power in AWS and advertising, and a vertically integrated supply chain. Amazon's scale, advanced logistics, and high customer switching costs protect it from new entrants in e-commerce and cloud computing. Economies of scale and top-tier talent further enhance its cost efficiency and innovation capabilities.

Risks: Amazon faces economic sensitivity in retail and advertising due to shifts in consumer spending and ad budget cuts during downturns. Regulatory risks include antitrust scrutiny, tax changes, and stricter data privacy laws. Its aggressive acquisition strategy carries risks of overpayment, while supply chain disruptions and rising costs could impact efficiency and margins. Additionally, foreign exchange fluctuations from global operations may affect profitability, especially for AWS.

Share Price	Exit Multiple Sensitivity Analysis				
:	16.0	17.0	18.0	19.0	20.0
8.40%	\$ 183	\$ 194	\$ 205	\$ 216	\$ 226
8.30%	\$ 184	\$ 195	\$ 206	\$ 217	\$ 227
8.20%	\$ 185	\$ 196	\$ 206	\$ 218	\$ 228
8.10%	\$ 186	\$ 197	\$ 208	\$ 219	\$ 230

Stock Performance – 10 Years



Company	Market Cap (\$B)	Revenue (\$B)	EBITDA (\$B)	EBITDA Margin (%)	WACC	ROIC	EV/EBITDA	EV/Market Cap
Amazon.com Inc	1,980	514	118	23%	8.26%	13.24%	18.8	0.95

Exit Multiple Method - Value per Share

Free Cash Flow at year 5	50,529
WACC (After Tax)	8.47%
Exit Enterprise Value / EBITDA	18.80
Terminal Value in 5 years	3,196,100
PV of Terminal Value (@ WACC)	2,128,854
(+) PV of Free Cash Flows	172,315
(=) Current Enterprise Value	2,301,169
(-) Total Debt	157,842
(+) Cash and Marketable Securities	89,092
(=) Equity Value	2,232,419
Shares outstanding	10,496
Estimated Value per Share (USD)	212.70
Current Price (USD)	188.82
Margin of Safety	12.65%