


# TheStreet Quant Ratings

## AMAZON.COM INC

BUY						HOLD			SELL							BUY	RATING SINCE		10/30/2023
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+	E	E-	F		TARGET PRICE		 \$169.45
Annual Dividend Rate NA				Annual Dividend Yield NA			Beta 1.18			Market Capitalization \$1,516.1 Billion				52-Week Range \$81.43-\$147.74			Price as of 11/22/2023 \$146.71		

Sector: **Retail Trade** | Industry Group: **Warehouse Clubs, Supercenters, General Merchandise Retailers**

### AMZN BUSINESS DESCRIPTION

Amazon.com, Inc. engages in the retail sale of consumer products and subscriptions through online and physical stores in North America and internationally. It operates through three segments: North America, International, and Amazon Web Services (AWS).

### STOCK PERFORMANCE (%)

	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	9.28	57.41	-1.81

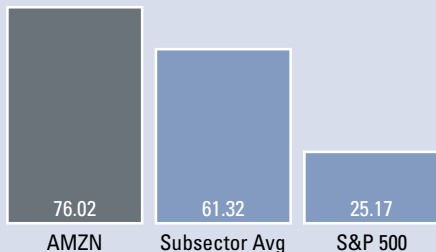
### GROWTH (%)

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	12.57	10.32	16.77
Net Income	243.97	77.32	4.93
EPS	235.71	77.14	4.17

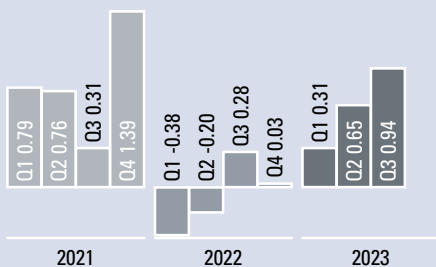
### RETURN ON EQUITY (%)

	AMZN	Subsector Avg	S&P 500
Q3 2023	10.97	14.48	17.32
Q3 2022	8.24	17.19	19.47
Q3 2021	21.78	32.07	16.80

### P/E COMPARISON



### EPS ANALYSIS' (\$)

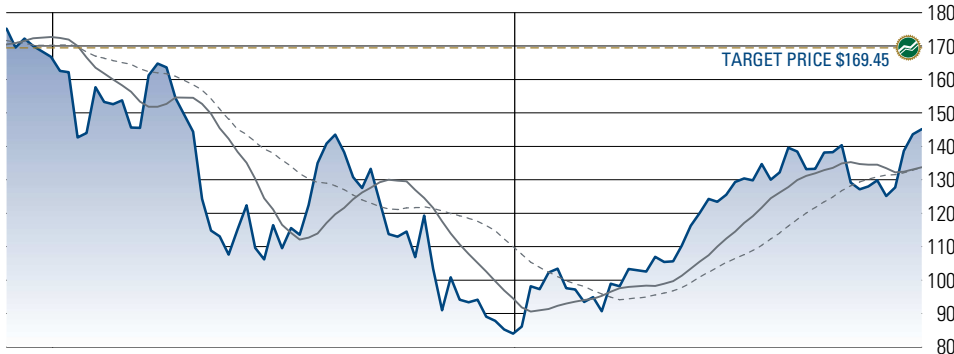


NA = not available NM = not meaningful

1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

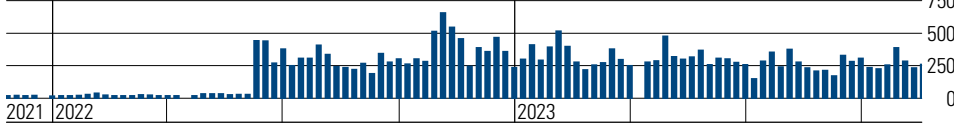
1 Year | 2 Years



### Rating History



### Volume in Millions



COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

### RECOMMENDATION

We rate AMAZON.COM INC (AMZN) a BUY. This is driven by several positive factors, which we believe should have a greater impact than any weaknesses, and should give investors a better performance opportunity than most stocks we cover. The company's strengths can be seen in multiple areas, such as its revenue growth, expanding profit margins, good cash flow from operations, compelling growth in net income and largely solid financial position with reasonable debt levels by most measures. Although the company may harbor some minor weaknesses, we feel they are unlikely to have a significant impact on results.

### HIGHLIGHTS

AMZN's revenue growth has slightly outpaced the subsector average of 6.9%. Since the same quarter one year prior, revenues rose by 12.6%. Growth in the company's revenue appears to have helped boost the earnings per share.

The gross profit margin for AMAZON.COM INC is rather high; currently it is at 56.05%. It has increased from the same quarter the previous year. Along with this, the net profit margin of 6.90% is above that of the subsector average.

Net operating cash flow has significantly increased by 86.04% to \$21,217.00 million when compared to the same quarter last year. In addition, AMAZON.COM INC has also vastly surpassed the subsector average cash flow growth rate of 35.80%.

The net income growth from the same quarter one year ago has significantly exceeded that of the S&P 500 and the General Merchandise Retailers subsector. The net income increased by 244.0% when compared to the same quarter one year prior, rising from \$2,872.00 million to \$9,879.00 million.

The debt-to-equity ratio is somewhat low, currently at 0.88, and is less than that of the subsector average, implying that there has been a relatively successful effort in the management of debt levels. Although the company had a strong debt-to-equity ratio, its quick ratio of 0.71 is somewhat weak and could be cause for future problems.

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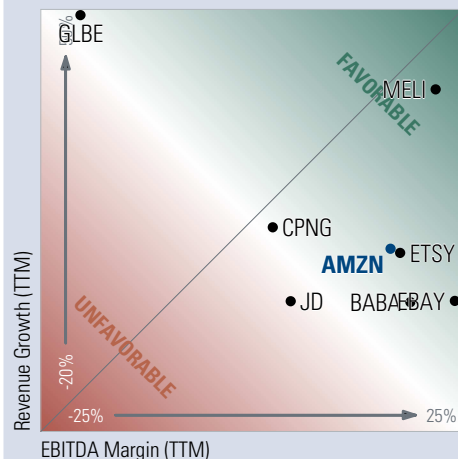
## AMAZON.COM INC

### Sector: Retail Trade | Warehouse Clubs, Supercenters, General Merchandise Retailers

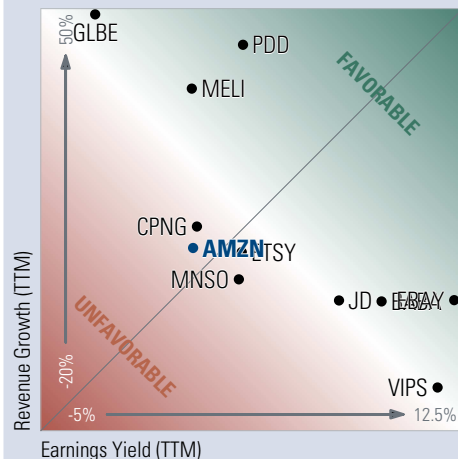
Annual Dividend Rate <b>NA</b>	Annual Dividend Yield <b>NA</b>	Beta <b>1.18</b>	Market Capitalization <b>\$1,516.1 Billion</b>	52-Week Range <b>\$81.43-\$147.74</b>	Price as of 11/22/2023 <b>\$146.71</b>
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#### PEER GROUP ANALYSIS

##### REVENUE GROWTH AND EBITDA MARGIN\*



##### REVENUE GROWTH AND EARNINGS YIELD



#### SUBSECTOR ANALYSIS

AMAZON.COM INC falls within the Retail Trade sector and the Warehouse Clubs, Supercenters, General Merchandise Retailers industry group of the North American Industry Classification System or NAICS. More precisely, a significant portion of company activities involve All Other General Merchandise Retailers.

TheStreet Quant Ratings is currently tracking 192 companies in the Retail Trade sector that total around \$3,579 billion in market capitalization as well as \$3,210 billion in annual sales.

The General Merchandise Retailers subsector accounts for 52.7% of those revenues.

Industries in the General Merchandise Retailers subsector retail new general merchandise. This subsector includes new and used general merchandise auction retailers and establishments generally known as department stores, warehouse clubs, superstores, or supercenters.

#### PEER GROUP: General Merchandise Retailers

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
<b>AMZN</b>	<b>AMAZON.COM INC</b>	<b>146.71</b>	<b>1,516,106</b>	<b>76.02</b>	<b>554,028.00</b>	<b>20,079.00</b>
ETSY	ETSY INC	71.48	8,559	29.91	2,713.30	333.85
JD	JD.COM INC	28.31	78,981	13.55	152,860.52	3,319.68
VIPS	VIPSHOP HOLDINGS LTD	16.15	7,837	8.73	14,952.87	1,094.45
MELI	MERCADOLIBRE INC	1,525.00	77,104	78.05	13,214.00	987.00
MNSO	MINISO GROUP HOLDING LTD	23.89	7,547	31.03	1,582.01	243.91
GLBE	GLOBAL-E ONLINE LTD	31.51	5,151	NM	524.41	-140.18
BABA	ALIBABA GROUP HLDG	78.96	404,303	10.94	131,340.73	18,751.42
CPNG	COUPANG INC	16.25	26,211	67.71	23,148.75	429.41
EBAY	EBAY INC	41.64	21,611	8.23	10,060.00	2,715.00
PDD	PDD HOLDINGS INC	117.44	148,489	29.43	23,083.36	5,781.17

The peer group comparison is based on Major General Merchandise Retailers companies of comparable size.

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### COMPANY DESCRIPTION

Amazon.com, Inc. engages in the retail sale of consumer products and subscriptions through online and physical stores in North America and internationally. It operates through three segments: North America, International, and Amazon Web Services (AWS). The company's products offered through its stores include merchandise and content purchased for resale; and products offered by third-party sellers. It also manufactures and sells electronic devices, including Kindle, Fire tablets, Fire TVs, Rings, Blink, eero, and Echo; and develops and produces media content. In addition, the company offers programs that enable sellers to sell their products in its stores; and programs that allow authors, musicians, filmmakers, Twitch streamers, skill and app developers, and others to publish and sell content. Further, it provides compute, storage, database, analytics, machine learning, and other services, as well as fulfillment, advertising, and digital content subscriptions. Additionally, the company offers Amazon Prime, a membership program. It serves consumers, sellers, developers, enterprises, content creators, and advertisers. The company was incorporated in 1994 and is headquartered in Seattle, Washington.

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Seattle, WA 98109-5210  
USA  
Phone: 206 266 1000  
<http://www.aboutamazon.com>  
Employees: 1541000

### STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of AMZN shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
<b>Growth</b>	<b>5.0 out of 5 stars</b>	★	★	★	★	★
Measures the growth of both the company's income statement and cash flow. On this factor, AMZN has a growth score better than 90% of the stocks we rate.		weak				strong
<b>Total Return</b>	<b>4.0 out of 5 stars</b>	★	★	★	★	☆
Measures the historical price movement of the stock. The stock performance of this company has beaten 70% of the companies we cover.		weak				strong
<b>Efficiency</b>	<b>3.5 out of 5 stars</b>	★	★	★	☆	☆
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 60% of the companies we review.		weak				strong
<b>Price volatility</b>	<b>4.0 out of 5 stars</b>	★	★	★	★	☆
Measures the volatility of the company's stock price historically. The stock is less volatile than 70% of the stocks we monitor.		weak				strong
<b>Solvency</b>	<b>5.0 out of 5 stars</b>	★	★	★	★	★
Measures the solvency of the company based on several ratios. The company is more solvent than 90% of the companies we analyze.		weak				strong
<b>Income</b>	<b>0.5 out of 5 stars</b>	☆	☆	☆	☆	☆
Measures dividend yield and payouts to shareholders. This company pays no dividends.		weak				strong

### THESTREET QUANT RATINGS RESEARCH METHODOLOGY

TheStreet Quant Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

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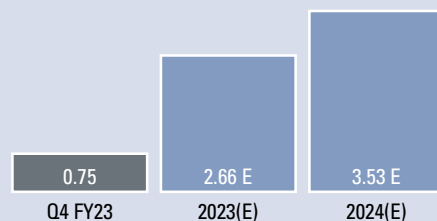
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### Consensus EPS Estimates<sup>2</sup> (\$)

IBES consensus estimates are provided by Thomson Financial



### INCOME STATEMENT

	Q3 FY23	Q3 FY22
Net Sales (\$mil)	143,083.00	127,101.00
EBITDA (\$mil)	23,553.00	13,017.00
EBIT (\$mil)	11,422.00	2,690.00
Net Income (\$mil)	9,879.00	2,872.00

### BALANCE SHEET

	Q3 FY23	Q3 FY22
Cash & Equiv. (\$mil)	64,634.00	58,886.00
Total Assets (\$mil)	486,883.00	428,362.00
Total Debt (\$mil)	161,065.00	163,234.00
Equity (\$mil)	182,973.00	137,489.00

### PROFITABILITY

	Q3 FY23	Q3 FY22
Gross Profit Margin	56.05%	52.84%
EBITDA Margin	16.46%	10.24%
Operating Margin	7.98%	2.12%
Sales Turnover	1.14	1.17
Return on Assets	4.12%	2.64%
Return on Equity	10.97%	8.24%

### DEBT

	Q3 FY23	Q3 FY22
Current Ratio	0.98	0.94
Debt/Capital	0.47	0.54
Interest Expense	806.00	617.00
Interest Coverage	14.17	4.36

### SHARE DATA

	Q3 FY23	Q3 FY22
Shares outstanding (mil)	10,330	10,198
Div / share	0.00	0.00
EPS	0.94	0.28
Book value / share	17.71	13.48
Institutional Own %	NA	NA
Avg Daily Volume	52,790,340	56,733,896

<sup>2</sup> Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

### FINANCIAL ANALYSIS

AMAZON.COM INC's gross profit margin for the third quarter of its fiscal year 2023 has increased when compared to the same period a year ago. The company managed to grow both sales and net income at a faster pace than the average competitor in its subsector this quarter as compared to the same quarter a year ago. AMAZON.COM INC has weak liquidity. Currently, the Quick Ratio is 0.71 which shows a lack of ability to cover short-term cash needs. The company's liquidity has increased from the same period last year, indicating improving cash flow.

At the same time, stockholders' equity ("net worth") has greatly increased by 33.08% from the same quarter last year. Overall, the key liquidity measurements indicate that the company is in a position in which financial difficulties could develop in the future.

**STOCKS TO BUY:** TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit [www.TheStreetRatings.com](http://www.TheStreetRatings.com).

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### RATINGS HISTORY

Our rating for AMAZON.COM INC was recently upgraded from Hold to Buy on 10/30/2023. As of 11/22/2023, the stock was trading at a price of \$146.71 which is .7% below its 52-week high of \$147.74 and 80.2% above its 52-week low of \$81.43.



### MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
10/30/23	\$132.71	Upgrade	Hold	Buy
4/29/22	\$124.28	Downgrade	Buy	Hold
11/22/21	\$178.63	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

### RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET RATINGS

(as of 11/22/2023)

**28.34% Buy** - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

**31.65% Hold** - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

**40.01% Sell** - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

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### VALUATION

BUY. AMAZON.COM INC's P/E ratio indicates a significant premium compared to an average of 61.32 for the General Merchandise Retailers subsector and a significant premium compared to the S&P 500 average of 25.17. For additional comparison, its price-to-book ratio of 8.28 indicates a significant premium versus the S&P 500 average of 4.20 and a discount versus the subsector average of 8.37. The price-to-sales ratio is above the S&P 500 average and well above the subsector average, indicating a premium. The valuation analysis reveals that, AMAZON.COM INC seems to be trading at a premium to investment alternatives.

Price/Earnings	1	2	3	4	5
		premium			discount

**AMZN 76.02** **Peers 61.32**

- Premium. A higher P/E ratio than its peers can signify a more expensive stock or higher growth expectations.
- AMZN is trading at a premium to its peers.

Price/Projected Earnings	1	2	3	4	5
		premium			discount

**AMZN 41.56** **Peers 35.87**

- Premium. A higher price-to-projected earnings ratio than its peers can signify a more expensive stock or higher future growth expectations.
- AMZN is trading at a significant premium to its peers.

Price/Book	1	2	3	4	5
		premium			discount

**AMZN 8.28** **Peers 8.37**

- Average. A lower price-to-book ratio makes a stock more attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- AMZN is trading at a valuation on par with its peers.

Price/Sales	1	2	3	4	5
		premium			discount

**AMZN 2.74** **Peers 2.23**

- Premium. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- AMZN is trading at a premium to its subsector on this measurement.

Price/CashFlow	1	2	3	4	5
		premium			discount

**AMZN 21.10** **Peers 19.25**

- Average. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- AMZN is trading at a valuation on par to its peers.

Price to Earnings/Growth	1	2	3	4	5
		premium			discount

**AMZN NM** **Peers 2.03**

- Neutral. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- AMZN's negative PEG ratio makes this valuation measure meaningless.

Earnings Growth	1	2	3	4	5
		lower			higher

**AMZN 77.14** **Peers 70.76**

- Average. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- AMZN is expected to keep pace with its peers on the basis of earnings growth.

Sales Growth	1	2	3	4	5
		lower			higher

**AMZN 10.32** **Peers 7.27**

- Higher. A sales growth rate that exceeds the subsector implies that a company is gaining market share.
- AMZN has a sales growth rate that significantly exceeds its peers.

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