



CAPTRUST

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Company	Ticker	Sector	Industry
Amazon.com, Inc.	AMZN-US	Consumer Discretionary	Internet & Direct Marketing Retail

Business Description

Amazon.com, Inc. is a multinational technology company, which engages in the provision of online retail shopping services. It operates through the following segments: North America, International, and Amazon Web Services (AWS). The North America segment is involved in the retail sales of consumer products including from sellers and subscriptions through North America-focused online and physical stores. It also includes export sales from online stores. The International segment focuses on the amounts earned from retail sales of consumer products including from sellers and subscriptions through internationally-focused online stores. The AWS segment consists of global sales of compute, storage, database, and other services for start-ups, enterprises, government agencies, and academic institutions. The company was founded by Jeffrey P. Bezos in July 1994 and is headquartered in Seattle, WA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	10
Date Purchased:	11/01/2019
Price:	\$102.11
52-Week Range:	\$81.82 - \$169.31
Dividend Yield:	0.00%
Market Cap (\$M):	\$1,046,348
Forward Price-to-Earnings:	60

Total Return

Year-to-Date:	21.6%
1 Year:	-35.3%
3 Year:	-1.8%
5 Year:	44.1%

Investment Case - Updated: January 17, 2023

Amazon continues its quest to dominate consumer spending. Due to the high-margin recurring revenues from its Amazon Web Services (AWS), the company can invest in new markets with low prices to gain share. The pandemic accelerated the shift to online spending and cloud computing where Amazon is a leading player. However, the company overinvested in its infrastructure by pulling forward capital investments in its distribution capabilities. When demand softened, it left the company with a bloated cost structure which it is currently working to correct. One of the faster growing segments for Amazon includes its advertising business. As companies seek prime placement in the marketplace, Amazon can offer advertising services for promoted ads for sellers. In addition, the pandemic lockdowns resulted in increased Amazon Prime signups which have a strong retention rate. While valuation looks expensive relative to other stocks in the market, Amazon has long proven its ability to outpace growth expectations.

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