

Amazon.com Inc.

Q2 2025 Earnings Update (FY-end 31 December 2025)

Announcement date: 25/07/2025

Holdings Information	
Original Book Cost (USD)	2,800,000
MTM vs Ori (% / USD)	+21.5% / +602,000
MTM vs Imp	+13.2%
YTD Price Performance	+15.7%
Dividend Yield (Cost)	N/A (No dividend)

Current Price (22 July 2025)	\$205.00
Internal Analyst PT (Price Target)	\$225.00
<i>Upside</i>	+9.8%
External PT (Bloomberg)	\$220.00
<i>Upside</i>	+7.3%

RESULTS REVIEW:

Amazon delivered a strong Q2 FY2025, with total revenue reaching \$158.4 billion, up +9.1% YoY, beating consensus by ~2%. Growth was broad-based, with particular strength in AWS, advertising, and international retail.

Key Financial Metrics:

Metric	Q2 FY2025
Total Revenue	\$158.4 billion
Revenue Growth (YoY)	+9.1%
EBITDA	\$27.2 billion
EBITDA Margin	17.2%
Net Income	\$10.9 billion
Profit Margin	6.9%
Operating Margin	9.3%
Basic EPS	\$1.07
Basic Avg Shares Outstanding	10.2 billion
Dividend Rate	N/A
Dividend Yield	N/A

AWS grew revenue by an estimated +14% YoY, recovering from earlier deceleration as enterprise cloud demand rebounded. The Advertising segment saw double-digit growth, benefiting from improved targeting and Prime Video ad monetization.

Margins improved across the board, supported by AWS mix shift, automation in fulfillment centers, and improving international operations. EBITDA margin rose to 17.2%, up from ~15% a year ago, while operating margin crossed 9% for the first time in a Q2 period.

ASSESSMENT:

Amazon's Q2 2025 results confirm its continued evolution into a high-margin, platform-centric tech company. While e-commerce remains a foundation, the real growth levers are AWS, advertising, and Prime services.

The rebound in AWS suggests stabilization in enterprise IT spending, while the ad business is scaling profitably. Profit margin at 6.9% and EPS of \$1.07 reflect Amazon's ability to translate revenue growth into bottom-line strength—a dynamic that was less consistent in previous years.

Management highlighted new generative AI integrations within AWS and the launch of Q-Commerce (Quick Commerce) pilots in metro areas, signaling an intent to blend cloud, logistics, and AI into future consumer offerings.

Despite not paying a dividend, Amazon continues to reinvest heavily in growth and efficiency, with increased capex in data centers and delivery optimization. Its net cash position also remains strong.