

Analyst B

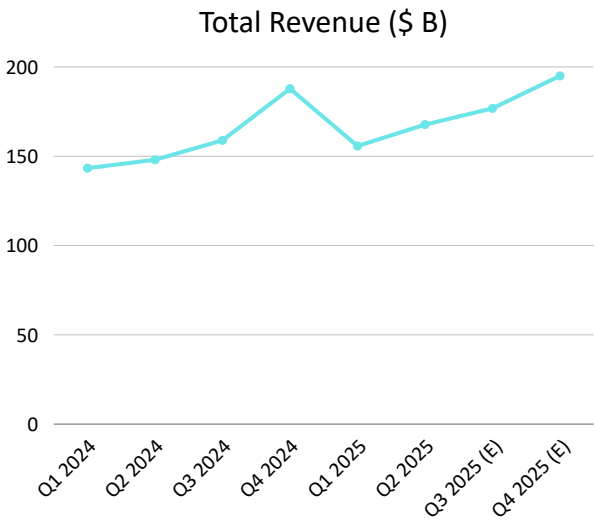
Amazon Inc.

Announcement date: 02/08/2025

Market Profile	
Closing Price	\$234.0
52-Week High/Low	\$166/247
Market Cap	\$ 2.37 T
Inst. Holdings	71.1%
Insider Holdings	8.67%
Dividend Yield	0.0%

Valuation		
	DCF	Multiples
Est. Price	\$230.0	\$250.0
Weights	50%	50%
Target Price	\$240.0	

Key Financials and Ratios	
Total Revenue	\$670.0 B
EBITDA Margin %	19.0
EBIT Margin %	11.4
Earning per Share	\$6.54
Net Income	\$70.6 B
Net Profit Margin	10.5%
Dividend Rate	0.0%
Cost of Revenue	\$456.0 B
Avg Shares Outs.	\$10.79 B



Investment Summary

We issue a BUY recommendation on Amazon.com, Inc. (AMZN) with a one-year target price of \$240.0, implying ~2–3% upside from \$234.0. Our view reflects resilient retail and advertising growth, continued share gains in cloud via AWS, and operating leverage from logistics and automation initiatives.

Overview

Q2-2025 revenue rose to \$167.7B (+13% YoY), with net income \$18.2B and operating income \$19.2B. AWS grew ~17.5% to \$30.9B; margins moderated near-term given AI-related capex and SBC seasonality. TTM revenue is \$670B and TTM net income **\$70.6B**, underscoring structurally higher profitability post-restructuring.

Valuation

Our \$240 target blends a 5-year DCF (\$230) and public comps (\$250) at equal weights. Assumptions include mid-teens AWS growth, retail EBIT mix improvement from ads and fulfillment efficiency, and AWS margins normalizing in the mid-30s as AI workloads scale.

Investment Risks

Heightened competition in cloud (Azure, GCP) may pressure AWS growth and margins; elevated capex can compress free cash flow near-term; macro and tariff risks affect retail demand and cost structure; and ongoing global regulatory scrutiny spans marketplace, ads, and cloud businesses.

Business Description

Amazon.com, Inc. is a diversified technology company operating a global e-commerce marketplace, third-party seller services, logistics and fulfillment, digital advertising, subscriptions (Prime), and Amazon Web Services (AWS)—a leading cloud platform. AWS contributes a disproportionate share of operating profit, while retail and ads provide scale, data, and flywheel effects across the ecosystem.