



## **Canadian Retail Company Financial Statements in 2019, 2020 and 2021**

**ACCIOI - MKT I907 - SU24**



# Overview



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# About AMAZON

## Introduction to Amazon

- **Founded by:** Jeff Bezos
- **Establish:** July 5, 1994
- **Headquarters:** Seattle, Washington, USA
- **Main areas:** E-commerce, cloud computing, artificial intelligence, and digital media service

## Development Process

- Amazon has grown to be one of the largest technology companies globally.
- It operates in many countries, serving millions of customers worldwide.



# About AMAZON

## Important Milestones

- **Amazon Prime (2005):** Subscription service offering free shipping, Prime Video, Prime Music, Prime Reading, and special offers.
- **Amazon Web Services (AWS) (2006):** Provides cloud services, including storage, databases, and artificial intelligence

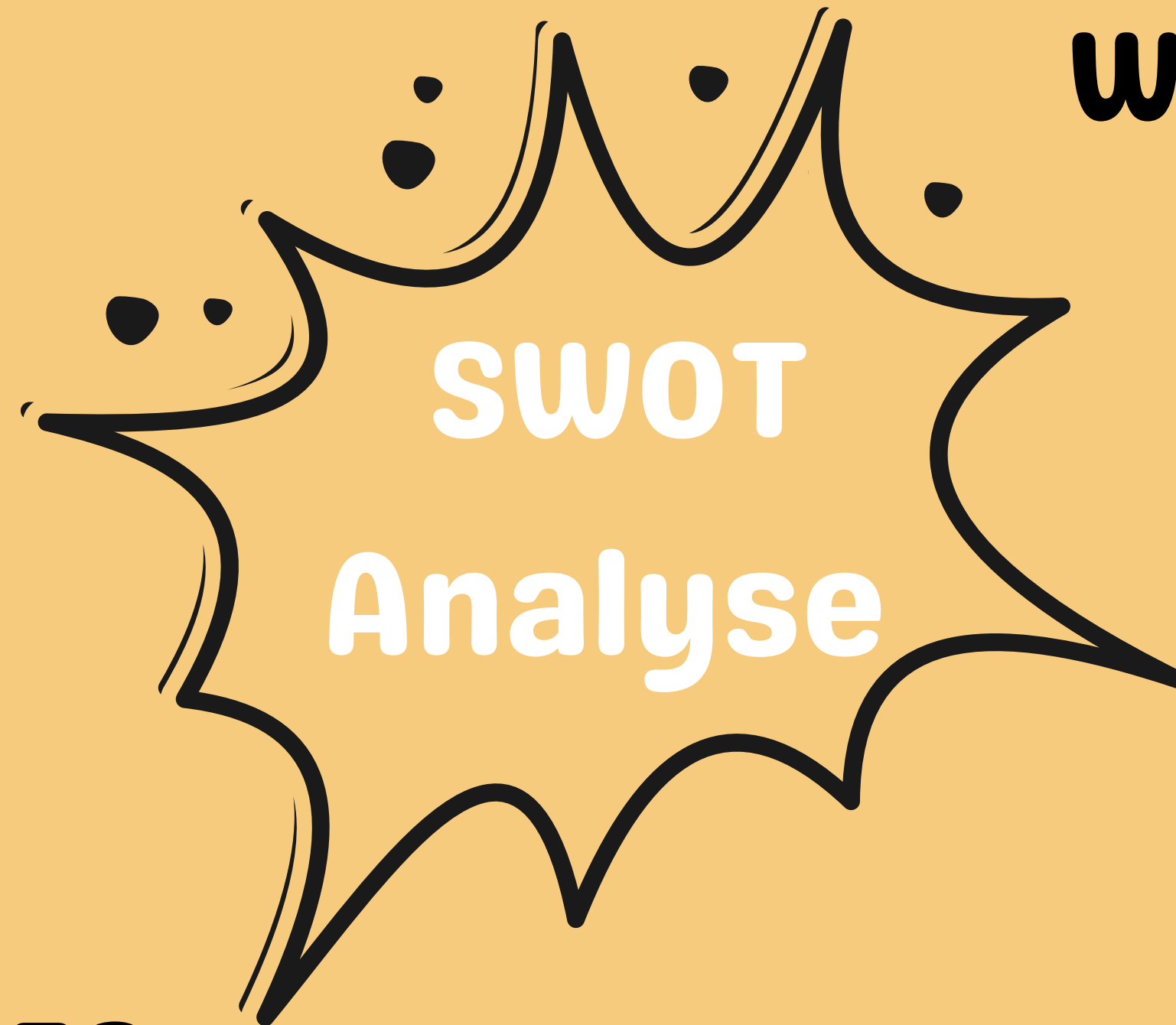
## Strategy and Goals

- Always aims to improve customer experience.
- Innovate and develop technology.
- Expand global business operations.



**STRENGTHS**

**WEAKENESSES**



**OPPOTUNITIES**

**THREATS**



+

## **+ Strengths:**

- **Global Brand**
- **Scale and Scope**
- **Technology and Innovation**

## **+ Weaknesses:**

- **Low Profit Margins**
  - **Dependence on AWS**
  - **Dependence on Supply Chain**
- 



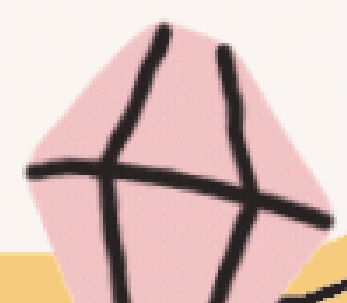


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## **+ Opportunities:**

- **New market entry**
- **Expanding online stores**
- **Policy enhancements**

## **+ Threats:**

- **Brand image**
  - **Intense Competition**
  - **Imitation**
- 



## Two strongest ratio



**Return on assets  
(ROA)**

**Return on equity  
(ROE)**



# RETURN ON ASSETS (ROA)

RETURN ON ASSETS (ROA)			
<i>million (USD)</i>	2019	2020	2021
Net Income	11,588	21,331	33,364
Total Assets	225.248	321.195	421.849
Return On Assets	5.1%	6.6%	7.9%



Amazon's ROA has steadily grown showing efficient profit generation from assets. This, along with rising net income, reflects strong financial performance and strategic asset use.

# RETURN ON EQUITY (ROE)

RETURN ON EQUITY (ROE)			
<i>million (USD)</i>	2019	2020	2021
Net Income	11,588	21,331	33,364
Total Assets	62,706	93,404	138,245
Return On Equity	18.5%	22.8%	24.1%



Amazon's ROE and the net income in the table as we can see increasing showing strong financial performance and effective use of shareholder equity.



## Two weakness ratio



**Debt-to-Equity  
Ratio**

**Gross Profit  
Margin**

# Debt-to-Equity Ratio

$$\text{Debt-to-Equity} = \text{Total Liabilities} / \text{Total Equity}$$

Debt-to-Equity Ratio			
<i>million (USD)</i>	2019	2020	2021
Total Liabilities	163,188	227,791	282,286
Total Equity	62,165	93,840	138,245
Debt-to-Equity Ratio	2,26	2,43	2,04



These calculations confirm the trend that Amazon's Debt-to-Equity Ratio has been decreasing from 2019 to 2021.

# Gross Profit Margin

$$\text{Gross Profit Margin} = (\text{Gross Profit} / \text{Net Sales}) \times 100\%$$

Gross Profit Margin			
<i>million (USD)</i>	2019	2020	2021
Gross Profit	114,986	152,757	197,478
Net Sales	280,522	386,064	469,822
Profit Margin Ratio	<b>41,0%</b>	<b>39,6%</b>	<b>42,0%</b>



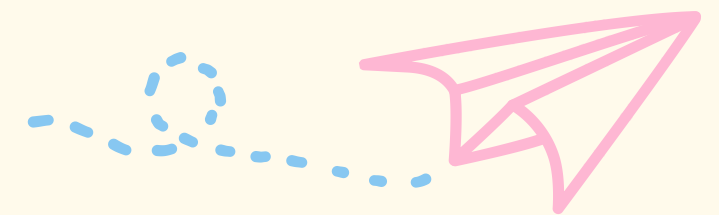
The Gross Profit Margin for Amazon increased from 2019 to 2021, indicating improved profitability and efficiency in managing production costs relative to revenue.

# RECOMMENDATION FOR CORPORATE

- 01** Through the current ratio, Amazon Group should continue to manage short-term assets and short-term liabilities
- 02** Amazon Corporation should try to improve the Quick ratio by reducing inventory or increasing current assets excluding inventory.
- 03** This group should maintain, maintain its performance or further improve this index if possible to enhance cash flow and reduce the risk of receivables.
- 04** Through ROA and ROE, Amazon should continue to invest in highly profitable projects and optimize asset utilization to maintain or improve ROA. At the same time, continue growth strategies and invest in highly profitable areas to maintain or improve ROE.



# Thanks for listening!



# CURRENT RATIO

CURRENT RATIO			
<i>million (RMB/USD)</i>	2019	2020	2021
Current Assets	270,273 / 6.90 ≈ 39,177	462,923 / 6.90 ≈ 67,096	583,201 / 6.45 ≈ 90,400
Current Liabilities	207,669 / 6.90 ≈ 30,110	241,872 / 6.90 ≈ 35,066	377,358 / 6.45 ≈ 58,514
Current Ratio	39,177 / 30,110 = 1.30	67,096 / 35,066 = 1.91	90,400 / 58,514 = 1.55

# QUICK RATIO

Quick Ratio			
<i>million (RMB/USD)</i>	2019	2020	2021
Current Assets	270,273 / 6.90 ≈ 39,177	462,923 / 6.90 ≈ 67,096	583,201 / 6.45 ≈ 90,400
Current Liabilities	207,669 / 6.90 ≈ 30,110	241,872 / 6.90 ≈ 35,066	377,358 / 6.45 ≈ 58,514
Inventory	8,534 / 6.90 ≈ 1,237	14,859 / 6.90 ≈ 2,154	27,858 / 6.45 ≈ 4,319
Quick ratio	$(39,177 - 1,237) / 30,110 = 1.26$	$(67,096 - 2,154) / 35,066 = 1.85$	$(90,400 - 4,319) / 58,514 = 1.47$

# DAYS' SALE OUTSTANDING

DAYS' SALE OUTSTANDING			
<i>million (RMB/USD)</i>	2019	2020	2021
Net Sales	376,844 / 6.90 ≈ 54,632	509,711 / 6.90 ≈ 73,896	717,289 / 6.45 ≈ 111,205
Account receivable	13,771 / 6.90 ≈ 1,996	19,786 / 6.90 ≈ 2,868	27,076 / 6.45 ≈ 4,199
Account receivable turnover	13,771 / 6.90 ≈ 1,996	19,786 / 6.90 ≈ 2,868	27,076 / 6.45 ≈ 4,199
DSO	365 / 27.37 = 13.34 days	365 / 25.75 = 14.18 days	365 / 26.50 = 13.77 days

# PROFIT MARGIN RATIO

PROFIT MARGIN RATIO			
<i>million (RMB/USD)</i>	2019	2020	2021
Net Income	170,989 / 6.90 ≈ 24,782	247,722 / 6.90 ≈ 35,910	297,762 / 6.45 ≈ 46,152
Net Sales	376,844 / 6.90 ≈ 54,632	509,711 / 6.90 ≈ 73,896	717,289 / 6.45 ≈ 111,205
Profit Margin Ratio	24,782 / 54,632 ≈ 0.45	35,910 / 73,896 ≈ 0.49	46,152 / 111,205 ≈ 0.41

# GROSS PROFIT MARGIN RATIO

GROSS PROFIT MARGIN RATIO			
<i>million (RMB/USD)</i>	2019	2020	2021
Gross Profit	87,600 / 6.90 ≈ 12,681	149,263 / 6.90 ≈ USD 21,634	150,308 / 6.45 ≈ 23,299
Net Sales	376,844 / 6.90 ≈ 54,632	509,711 / 6.90 ≈ 73,896	717,289 / 6.45 ≈ 111,205
Gross Profit Margin Ratio	12,681 / 139,865 = 0.09	21,634 / 190,870 = 0.11	23,299 / 262,814 = 0.09



# RETURN ON ASSETS (ROA)

RETURN ON ASSETS (ROA)			
<i>million (RMB/USD)</i>	2019	2020	2021
Net Income	87,600 / 6.90 ≈ 12,681	149,263 / 6.90 ≈ USD 21,634	150,308 / 6.45 ≈ 23,299
Total Assets	965,076 / 6.90 ≈ USD 139,865	1,312,985 / 6.90 ≈ USD 190,870	1,690,218 / 6.45 ≈ 262,814
Return On Assets	12,681 / 139,865 = 0.09	21,634 / 190,870 = 0.11	23,299 / 262,814 = 0.09

# RETURN ON EQUITY (ROE)

RETURN ON EQUITY (ROE)			
<i>million (RMB/USD)</i>	2019	2020	2021
Net Income	87,600 / 6.90 ≈ 12,681	149,263 / 6.90 ≈ 21,634	150,308 / 6.45 ≈ 23,299
Total Equity	436,438 / 6.90 ≈ 63,291	755,401 / 6.90 ≈ 109,484	937,470 / 6.45 ≈ 145,334
Return On Equity	12,681 / 63,291 = 0.20	21,634 / 109,484 = 0.20	23,299 / 145,334 = 0.16

# Current Ratio

Current Ratio			
<i>million (USD)</i>	2019	2020	2021
Current assets	96.334	132.733	161.580
Current liabilities	87.812	126.385	142.266
Current ratio	1.10	1.05	1.14



Amazon's ROE and the net income in the table as we can see increasing showing strong financial performance and effective use of shareholder equity.

# Resource page

