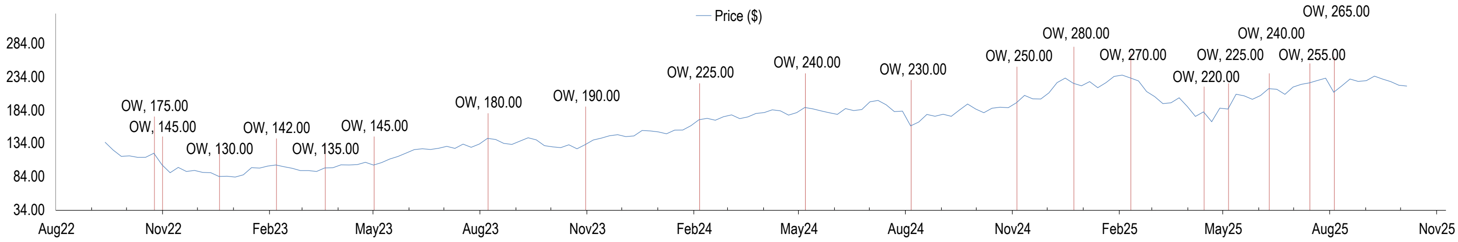
Amazon.com

WORLD TRADE SECURITIES

Equity Research

Recommendation	Price Target	PT End Date	Price	Upside/Downside to PT
Overweight	$265.00	31-Dec-26	$216.37	22.48%

Amazon.com, Inc. is an online retailer that offers a wide range of products. The Company products include books, music, videotapes, computers, electronics, home and garden, and numerous other products. Amazon offers personalized shopping services, Web-based credit card payment, and direct shipping to customers.



Note: All analysts forecasts are as of last note published on 13-Aug-2025

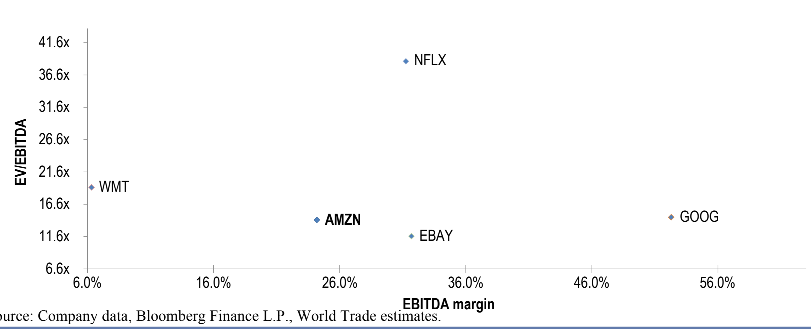
The Upside/Downside to PT is calculated based on the previous day's closing price which is quoted above.

Source: Bloomberg Finance L.P., World Trade estimates.

Key Financials ($mn, year end Dec)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	574,785	637,959	713,269	789,632	873,406
EBITDA	110,305	144,162	172,568	210,405	247,667
EBIT	61,642	91,367	105,990	124,872	145,763
Pretax Income	62,335	91,287	112,110	128,009	149,294
Net Profit	55,227	82,123	97,059	110,828	129,076
Total Assets	527,854	624,894	755,141	886,469	1,032,565
Shareholder Equity	201,875	285,970	384,371	494,217	622,261
Adjusted Net Debt/(Cash)	(28,466)	(48,579)	(82,995)	(151,438)	(223,270)
Capex	(48,133)	(77,658)	(121,526)	(144,736)	(165,021)
Free Cash Flow to firm	37,019	36,178	31,147	62,466	78,361
EPS ($)	2.90	5.53	6.81	7.76	9.12
DPS	n/a	n/a	n/a	n/a	n/a
Key Ratios	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
EBITDA Margin	19.2%	22.6%	24.2%	26.6%	28.4%
EBIT Margin	10.7%	14.3%	14.9%	15.8%	16.7%
Net Margin	9.6%	12.9%	13.6%	14.0%	14.8%
Payout Ratio	n/a	n/a	n/a	n/a	n/a
Net Debt/Equity (excl MI)	NM	NM	NM	NM	NM
FCF Yield	1.6%	1.6%	1.3%	2.7%	3.3%
P/E	74.6x	39.2x	31.8x	27.9x	23.7x
EV/EBITDA	22.7x	17.2x	14.2x	11.3x	9.3x
ROE	31.7%	33.7%	29.0%	25.2%	23.1%

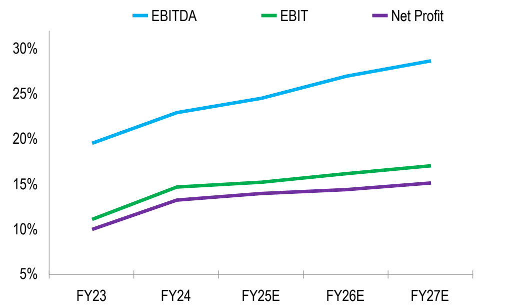
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Chart FY25



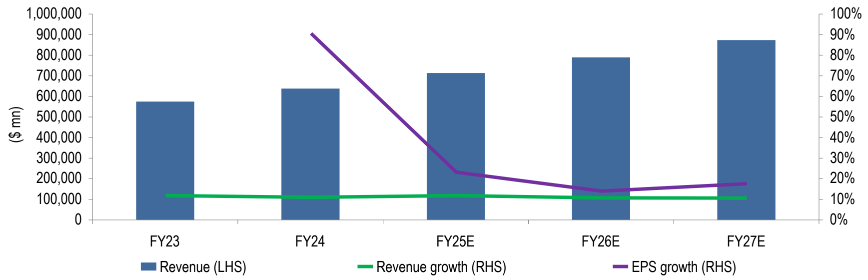
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Margin Analysis (AMZN)



Source: Company data, World Trade estimates.

Revenue and EPS growth



Source: Company data, World Trade estimates.

Company Data

Market Cap (USDmn)	2,338,094
Shares O/S (mn)	10,806
Float	90.3%
Dividend Yield	n/a
EPS ($)	6.81
3M - Avg daily volume (mn)	42.63
52 wk High/Low ($)	242.52-161.38

WTS EPS Estimate		BBG EPS Estimate	
FY25E	FY26E	FY25E	FY26E
6.81	7.76	8.30	9.09

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Analysis	Ticker	Fiscal Year End	Last Note Published	Rating	Price Target	Mkt Cap ($mn)	EV/EBITDA		P/BV		P/E		ROE	
Local peers							**FY25E**	**FY26E**	**FY25E**	**FY26E**	**FY25E**	**FY26E**	**FY25E**	**FY26E**
Alphabet	GOOG	2024/12	03-Sep-25	OW	$260.00	2,896,903	14.6x	12.4x	7.4x	6.1x	23.9x	22.4x	36.7%	34.8%
Netflix Inc	NFLX	2024/12	25-Sep-25	N	$1,300.00	530,592	38.7x	32.6x	21.5x	19.3x	47.8x	39.5x	44.9%	51.0%
Walmart Inc	WMT	2024/1	21-Aug-25	OW	$127.00	816,349	19.2x	17.0x	8.0x	7.3x	38.3x	32.4x	21.4%	23.5%
eBay, Inc	EBAY	2024/12	31-Jul-25	N	$84.00	41,619	11.7x	10.7x	7.0x	6.4x	16.3x	14.8x	46.3%	45.6%
Global peers														
MercadoLibre, Inc.	MELI	2024/12	03-Oct-25	N	$2,600.00	108,616	26.9x	20.2x	19.5x	12.5x	50.7x	35.9x	43.3%	42.4%
Vipshop	VIPS	2024/12	14-Aug-25	OW	$21.00	8,326	2.1x	1.5x	1.4x	1.1x	10.4x	9.8x	19.4%	17.5%
JD.com, Inc.	JD	2024/12	14-Aug-25	NR	n/a	41,152	8.4x	5.0x	2.1x	1.9x	12.2x	9.3x	10.1%	12.4%
Amazon.com	**AMZN**	**2024/12**	**13-Aug-25**	**OW**	**$265.00**	**2,338,094**	**14.2x**	**11.3x**	**6.0x**	**4.7x**	**31.8x**	**27.9x**	**29.0%**	**25.2%**
Median							14.4x	11.9x	7.2x	6.3x	27.8x	25.2x	32.8%	30.0%
Mean							17.0x	13.8x	9.1x	7.4x	28.9x	24.0x	31.4%	31.5%
High							38.7x	32.6x	21.5x	19.3x	50.7x	39.5x	46.3%	51.0%
Low							2.1x	1.5x	1.4x	1.1x	10.4x	9.3x	10.1%	12.4%

Source: Company data, World Tarde estimates.

Investment Thesis

We believe Amazon is well positioned as the market leader in e-commerce and public cloud, for which the secular shifts remain early—US e-commerce represents ~20% of adjusted retail sales, and we estimate only ~10% of IT spend is in the cloud today. We believe Amazon's flexibility in pushing first-party vs. third-party inventory and the Prime membership serve as major advantages in its Stores business, and its multi-year head start in the cloud has led to ~31% AWS global market share. We believe AMZN is on track for multi-year margin expansion & FCF ramp, with AMZN targeting MSD%+ N. America operating margins. High-growing AWS and Advertising revenue streams are AMZN's most profitable businesses, further supporting margin expansion & FCF generation.

Valuation

Our December 2026 PT of $265 is based on ~29x our 2027E GAAP EPS of $9.12, which equates to 32.5x our 2027E FCF of $81.4B. This is a premium to GOOGL & META trading at ~17x & ~23x given AMZN's faster bottom-line growth profile.

Risks to Rating and Price Target

Downside risks include: 1) Pace of AWS reacceleration & normalized growth trajectory; **2)** State of US consumer, with macro pressures impacting spending levels; **3)** AMZN's margin path is not always linear, with AMZN historically investing in growth; **4)** GenAI monetization is early & visibility is limited; **5)** Heavy competition across Stores & Cloud; **6)** Increased regulatory scrutiny could become a multi-year overhang; & **7)** Less traditional valuation support vs mega-cap peers.