

counted for 30% of '23 revenue. Acquired Audible.com, '08,

98109. Telephone: 206-266-1000. Internet: www.amazon.com.

Past Est'd '21-'23 ANNUAL RATES Past 10 Yrs. to '27-'29 of change (per sh) 5 Yrs. 22.5% 36.5% 22.0% 29.0% 11.0% 15.5% Revenues "Cash Flow" Earnings Dividends 49.0% 32.5% 24.5% Nil 32.5% **Book Value** 38.5% 14.0%

155393

164917

161477

Current Liab

Cal- endar	QUAR Mar.31	TERLY RE Jun.30	VENUES Sep.30		Full Year
2021	108518	113080	110812	137412	469822
2022	116444	121234	127101	149204	513983
2023	127358	134383	143083	169961	574785
2024	143313	147977	158877	186833	637000
2025	158000	165000	176000	208000	707000
Cal-	EARNINGS PER SHARE A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2021	.79	.76	.31	.29	2.14
2022	.37	.18	.17	.25	.98
2023	.31	.65	.94	1.00	2.90
2024	.98	1.26	1.43	1.48	5.15
2025	1.40	1.40	1.60	1.75	6.15
Cal-	Cal- QUARTERLY DIVIDENDS I				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2021					
2022	NO CASH DIVIDENDS				
2023	BEING PAID				
2024					
2025					

We have raised our 2025 earnings estimate and long-term projections for Amazon once again. Revenues in the third quarter climbed 11%, a bit above our forecast, but margin expansion helped earnings surpass our estimate by \$0.28 per share. Our previous margin assumptions appear conservative and we are widening them to account for better profitability at Amazon Web Services (AWS) and new initiatives. Future customer benefits from artificial intelligence have been wellpublicized, but Amazon is already realizing savings internally, whether through robotics, enhanced customer services or fulfillment (see below). All in all, we now see this year's bottom line approaching \$6.15 per share, and 2027-2029 approximating \$8.90 per share.

Amazon Web Services (AWS) continues to hold its leading share position. In the most recent publicly available quarter, AWS revenue grew 19% year over year. This pace may decelerate to the low double-digits experienced early last year, considering tougher comparisons, but possible challenges around security, relative performance, competitive partnerships, or

even GPU supplies continue to be met easily. The release of more generative artificial intelligence products (e.g. foundational models) AmazonNova.should maintain its leading position with customers and developers alike.

Optimizing distribution is still priority. After enhancing its outbound network capabilities in previous years, management has turned greater attention to fulfillment. In the third quarter, 15 inbound centers were opened and new measures were put in place to more efficiently manage inventories.

Newer initiatives have a long runway for growth. An expansion into health products, such as pharmaceutical delivery, is just in the beginning stages, as is the advertising business. The Prime membership model carries a solid recurring revenue model to help fund capex (in fact, free cash flow doubled over the last year versus the prior 12-month period.)

The stock is suitable for both shortterm and long-term investors. Valuation is not demanding on a historical basis and fundamentals are quite solid. January 31, 2025

Charles C. Moran

Company's Financial Strength Stock's Price Stability Price Growth Persistence **Earnings Predictability**

(A) Diluted earnings. Includes stock-based compensation: '08, (64¢); '09, (77¢). Excludes other nonrecurring items: '08, 10¢; '12, (38¢); '17, \$1.60; '21, \$21.95; '22, (\$1.25). Quarterly (B) In millions.

revenues and earnings may not sum due to rounding. Next earnings report due early Feb-

A++ 70

75

40