

# ModernGraham Valuation

Company Name:

Amazon.com, Inc.

Company Ticker AMZN

Date of Analysis

8/21/2017



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$457,940,923,915	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.01	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	93.23%	Pass
5. Earnings Growth	PEmg < 20	282.04	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	20.20	Fail
7. Moderate Price to Assets			

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.01	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	15.78	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.38
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$130.13</b>
MG Value based on 3% Growth	\$49.01
MG Value based on 0% Growth	\$28.73
Market Implied Growth Rate	136.77%

### MG Opinion

Current Price	\$953.29
% of Intrinsic Value	732.57%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

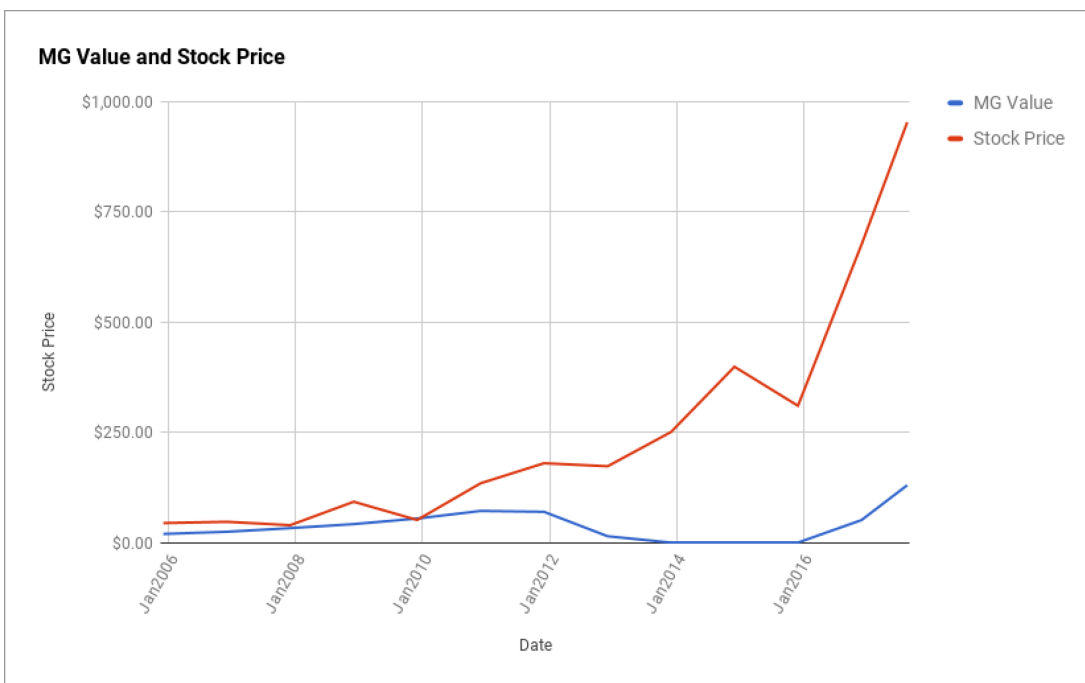
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$47.89
Graham Number	\$71.12
PEmg	282.04
Current Ratio	1.01
PB Ratio	20.20
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2016	\$5.56	Dec2016	\$3.38
Dec2015	\$4.90	Dec2015	\$1.94
Dec2014	\$1.25	Dec2014	\$0.48
Dec2013	-\$0.52	Dec2013	\$0.32
Dec2012	\$0.59	Dec2012	\$0.92
Dec2011	-\$0.09	Dec2011	\$1.21
Dec2010	\$1.37	Dec2010	\$1.81
Dec2009	\$2.53	Dec2009	\$1.86
Dec2008	\$2.04	Dec2008	\$1.42
Dec2007	\$1.49	Dec2007	\$1.09
Dec2006	\$1.12	Dec2006	\$0.85
Dec2005	\$0.45	Dec2005	\$0.64
Dec2004	\$0.84	Dec2004	\$0.51
Dec2003	\$1.39	Dec2003	-\$0.07
Dec2002	\$0.08	Dec2002	-\$1.07
Dec2001	-\$0.39	Dec2001	-\$1.67
Dec2000	-\$1.56	Dec2000	-\$2.10
Dec1999	-\$4.02	<b>Balance Sheet Information</b>	
Dec1998	-\$2.20	<b>6/1/2017</b>	
Dec1997	-\$0.42	Total Current Assets	\$41,007,000,000
	-\$0.12	Total Current Liabilities	\$40,520,000,000
		Long-Term Debt	\$7,683,000,000
		Total Assets	\$87,781,000,000
		Intangible Assets	\$4,254,000,000
		Total Liabilities	\$64,567,000,000
		Shares Outstanding (Diluted Average)	492,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

[58 Companies in the Spotlight This Week – 1/31/15](#)

[Amazon.com Inc. Annual Valuation – 2015 \\$AMZN](#)

[A Comparison of Four Listed Companies \(\\$AMZN, \\$INTC, \\$NFLX, and \\$WFC\) \(MG Book Club Chapter 13\)](#)

[14 Companies in the Spotlight This Week – 1/11/14](#)

[ModernGraham Valuation: Amazon Inc. \(AMZN\)](#)

Other  
ModernGraham  
posts about related  
companies

[Fossil Group Inc Valuation – March 2017 \\$FOSL](#)

[Lumber Liquidators Holdings Inc Valuation – Initial Coverage \\$LL](#)

[CVS Health Corp Valuation – March 2017 \\$CVS](#)

[Target Corp Valuation – March 2017 \\$TGT](#)

[Foot Locker Inc Valuation – Initial Coverage \\$FL](#)

[Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)

[Kohl's Corporation Valuation – March 2017 \\$KSS](#)

[Stamps.com Inc Valuation – Initial Coverage \\$STMP](#)

[Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)

[Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)