

ModernGraham Valuation

Company Name:

Amazon.com, Inc.

Company Ticker AMZN

Date of Analysis

6/9/2018



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	\$817,117,294,796	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06	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	227.44%	Pass
5. Earnings Growth	PEmg < 20	303.31	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	26.65	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	1.06	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.85	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.55
MG Growth Estimate	15.00%
MG Value	\$213.75
MG Value based on 3% Growth	\$80.50
MG Value based on 0% Growth	\$47.19
Market Implied Growth Rate	147.41%

MG Opinion

Current Price	\$1,683.99
% of Intrinsic Value	787.82%
Opinion	Overvalued
MG Grade	F

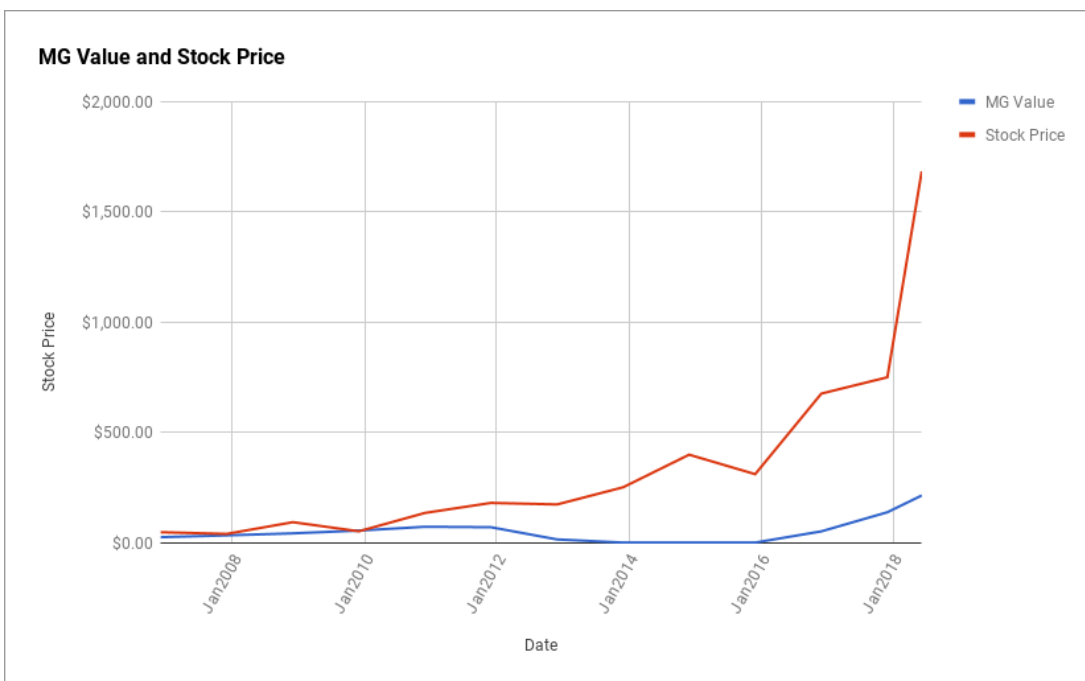
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$88.49
Graham Number	\$104.02
PEmg	303.31
Current Ratio	1.06
PB Ratio	26.65
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$8.40	Dec2017	\$5.55
Dec2016	\$6.15	Dec2016	\$3.58
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	Balance Sheet Information	
Dec1999	-\$4.02	3/1/2018	
Dec1998	-\$2.20	Total Current Assets	
	-\$0.42	\$50,829,000,000	
		Total Current Liabilities	
		\$48,045,000,000	
		Long-Term Debt	
		\$24,640,000,000	
		Total Assets	
		\$126,362,000,000	
		Intangible Assets	
		\$13,388,000,000	
		Total Liabilities	
		\$94,899,000,000	
		Shares Outstanding (Diluted Average)	
		498,000,000	





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

[Amazon.com Inc Valuation – August 2017 \\$AMZN](#)

[Amazon Inc Valuation – July 2016 \\$AMZN](#)

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

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

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

Other
ModernGraham
posts about related
companies

[Stamps.com Inc Valuation – June 2018 \\$STMP](#)

[Kirkland's Inc Valuation – June 2018 \\$KIRK](#)

[Stein Mart Inc Valuation – June 2018 \\$SMRT](#)

[JC Penney Company Valuation – June 2018 \\$JCP](#)

[Shoe Carnival Inc Valuation – June 2018 \\$SCVL](#)

[Aaron's Inc Valuation – June 2018 \\$AAN](#)

[GameStop Corp Valuation – June 2018 \\$GME](#)

[Urban Outfitters Inc Valuation – June 2018 \\$URBN](#)

[Ulta Beauty Inc Valuation – June 2018 \\$ULTA](#)

[Kohl's Corporation Valuation – June 2018 \\$KSS](#)