

# ModernGraham Valuation

Company Name:

Amazon.com, Inc.

Company Ticker AMZN

Date of Analysis

3/20/2019



## 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	\$870,058,004,269	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.10	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	1163.52%	Pass
5. Earnings Growth	PEmg < 20	121.13	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	20.33	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	1.10	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.50	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
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	\$14.62
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$562.90</b>
MG Value based on 3% Growth	\$212.00
MG Value based on 0% Growth	\$124.28
Market Implied Growth Rate	56.32%

### MG Opinion

Current Price	\$1,771.05
% of Intrinsic Value	314.63%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## Stage 3: Information for Further Research

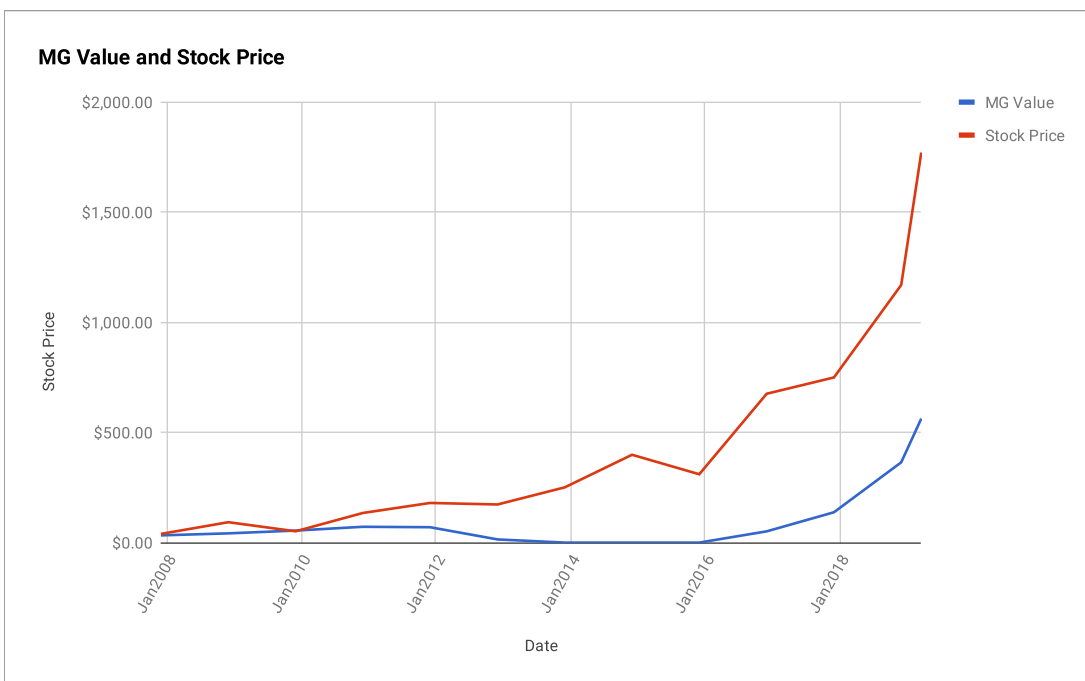
Net Current Asset Value (NCAV)	-\$88.00
Graham Number	\$208.82
PEmg	121.13
Current Ratio	1.10
PB Ratio	20.33
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

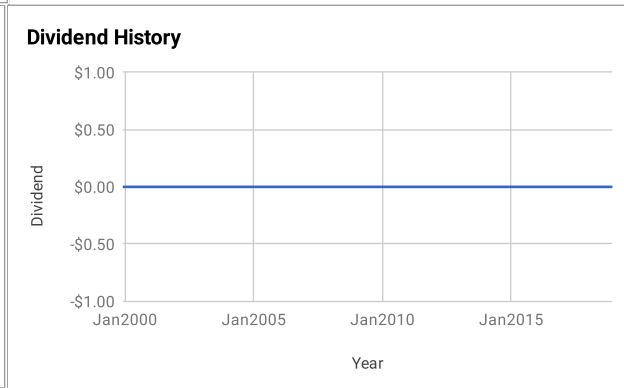
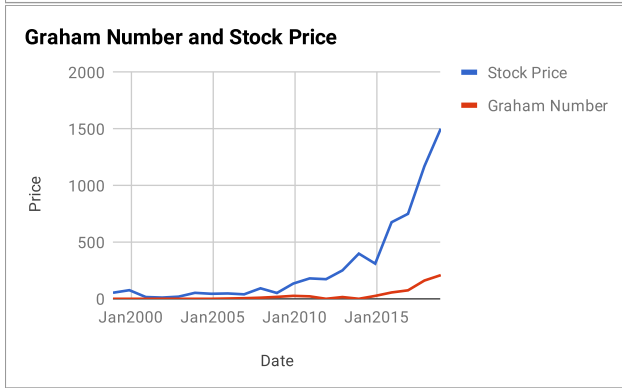
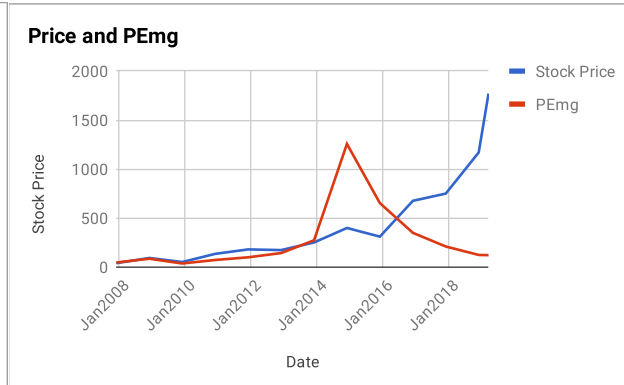
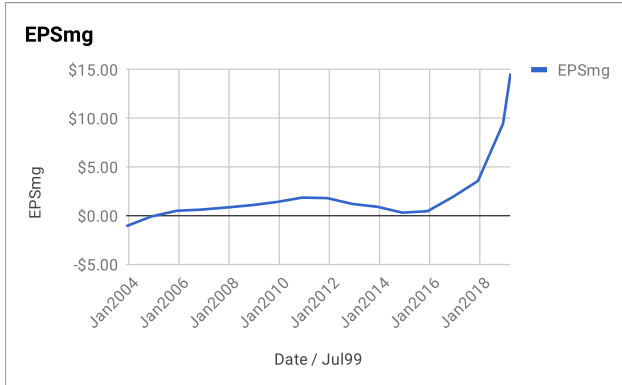
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$21.85		\$14.62
Dec2018	\$20.14	Dec2018	\$9.47
Dec2017	\$6.15	Dec2017	\$3.58
Dec2016	\$4.90	Dec2016	\$1.94
Dec2015	\$1.25	Dec2015	\$0.48
Dec2014	-\$0.52	Dec2014	\$0.32
Dec2013	\$0.59	Dec2013	\$0.92
Dec2012	-\$0.09	Dec2012	\$1.21
Dec2011	\$1.37	Dec2011	\$1.81
Dec2010	\$2.53	Dec2010	\$1.86
Dec2009	\$2.04	Dec2009	\$1.42
Dec2008	\$1.49	Dec2008	\$1.09
Dec2007	\$1.12	Dec2007	\$0.85
Dec2006	\$0.45	Dec2006	\$0.64
Dec2005	\$0.84	Dec2005	\$0.51
Dec2004	\$1.39	Dec2004	-\$0.07
Dec2003	\$0.08	Dec2003	-\$1.07
Dec2002	-\$0.39	<b>Balance Sheet Information</b>	
Dec2001	-\$1.56	<b>12/1/2018</b>	
Dec2000	-\$4.02	Total Current Assets	\$75,101,000,000
Dec1999	-\$2.20	Total Current Liabilities	\$68,391,000,000
		Long-Term Debt	\$23,495,000,000
		Total Assets	\$162,648,000,000
		Intangible Assets	\$18,658,000,000
		Total Liabilities	\$119,099,000,000
		Shares Outstanding (Diluted Average)	500,000,000





**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.

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