

The background of the entire page is a dark, semi-transparent financial chart. It features a grid with various data series, including candlesticks and line graphs. A prominent line graph in the upper right corner shows a peak and a subsequent decline, with a label '52.34%' indicating a specific data point. The overall aesthetic is professional and data-driven.

HAVEN

EQUITIES

Equity Research Report

Research Standards

HAVEN Report Standards (Mandatory)

1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

Equity Research Report



Amazon.com, Inc (AMZN)
Technology | Internet Retail

Written By: Shaty Mohamed
Date: 11/03/2026

This report is prepared by Haven Equities for educational and informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.

Investment Overview

Amazon.com, Inc (AMZN)

Sector: Technology | Industry: Internet Retail | Price: \$214.33

Thesis:

Amazon is entering a new AI-driven growth cycle as AWS accelerates due to strong demand for generative AI infrastructure and custom silicon. While heavy infrastructure investment is pressuring near term cash flow, these investments strengthen Amazon's long term competitive advantage in cloud computing, logistics, and digital advertising. As margins improve and high growth segments scale, Amazon is positioned for sustained earnings growth.

Key Drivers:

- **AWS Growth:** demand is increasing as companies invest in AI computing and cloud infrastructure.
- **Advertising Expansion:** Amazon's advertising segment is growing rapidly and generates higher margins than retail sales.
- **Retail Margin Improvement:** Amazon has improved its logistics and inventory systems, helping to increase operating margins.

Key Risks:

- **Free Cash Flow Pressure:** Amazon plans to spend heavily on technology and infrastructure investments.
- **Regulatory Risk:** Large technology companies face increasing government scrutiny related to antitrust and competition laws.
- **Execution Risk:** New projects such as Amazon's satellite internet network require significant investment and operational execution.

Haven Rating:

Recommendation: STRONG BUY

Time Horizon: 12 – 24 months

Risk Level: Moderate

Catalyst Driven: Yes

Catalysts (Next 1-6 Months):

- **Satellite Internet Launch:** Amazon plans to begin commercial satellite internet services in several countries during 2026.
- **Earnings Releases:** Upcoming earnings announcements (30/04/2026) will show whether AWS growth and operating margins continue to improve.
- **AI Chip Deployment:** New AI chips such as Trainium3 could increase demand for AWS computing services.

Quick Stats:

- **Price:** \$214.33
- **P/E Ratio:** 29.4
- **Market Cap:** 2.30T
- **Enterprise Value:** 2.33T
- **Revenue (TTM):** \$716.92B
- **Cash:** \$123.03B
- **FCF:** \$23.79B
- **Beta (5Y):** 1.42

Business Overview

Company Snapshot

Business Description:

Amazon is one of the world’s largest technology companies. The company operates a wide range of businesses, most well-known for its e-commerce business, but also cloud computing, digital streaming services, and grocery retail. Amazon’s largest and most profitable business is Amazon Web Services (AWS), which provides cloud computing services to businesses around the world.

Revenue Model:

- Amazon generates revenue through a mix of product sales, service fees, subscriptions, and advertising.
- **Retail Sales:** Revenue from products sold directly to customers through Amazon’s online store.
 - **Third-Party Seller Services:** Independent sellers list products on Amazon's marketplace and pay fees for fulfillment, storage, and advertising.
 - **Amazon Web Services (AWS):** AWS charges companies for cloud computing, storage, and AI services.
 - **Advertising:** Brands pay Amazon to promote products on its platform through sponsored listings and display ads.

Operating Segments

Segment	Revenue	% of Revenue
North America	\$127.1B	- 59%
International	\$50.7B	- 24%
AWS	\$35.6B	- 17%

Key Operating Metrics

- **AWS Operating Margin:** AWS operating margins reached around 35% in Q4 2025, making it Amazon's main profit driver.
- **Capital Investment Levels:** Capex as a % of Operating Cash Flow is currently at 94.5%, as Amazon invests heavily in data centers, AI infrastructure, and logistic improvements.

Industry & Competition

Industry Overview

The global e-commerce industry has grown rapidly as more consumers shop online, with worldwide online retail sales exceeding \$6 trillion annually. At the same time, the total AI market is forecasted to reach \$3.5 trillion by 2033, which could increase the demand for cloud computing. As a leader in both e-commerce and cloud services through AWS, Amazon is well positioned to benefit from these long term industry trends.

Trends

- **Custom Chips in Cloud Computing:** Cloud providers are developing their own custom silicon chips to reduce reliance on third-party vendors and lower AI training costs.
- **Satellite Internet Expansion:** Companies are developing low Earth orbit satellite networks, such as Amazon Leo through Project Kuiper, to provide high-speed internet access worldwide.

Main Competitors

Firm	Ticker	Market Cap	Additional Notes
Microsoft	MSFT	3.01T	Leading AWS competitor through Azure
Alphabet	GOOGL	3.71T	Dominant in search advertising, expanding Google Cloud (GCP)
Walmart	WMT	1.00T	Large retail competitor, e-commerce sales surpassed \$150 billion

Company Positioning

Amazon is positioned as a global leader in both e-commerce and cloud computing, supported by its large logistics network, Prime ecosystem, and the AWS platform. The company competes with both traditional retailers and large technology firms. Amazon maintains an advantage in global e-commerce scale, third-party seller services, and faster delivery through its logistics infrastructure. AWS remains the global market leader in cloud infrastructure, giving Amazon a strong position in cloud services. Amazon has also built one of the fastest growing digital advertising platforms within its e-commerce business.

Valuation

Current Valuation			
	Prev. Year	Current Year	Next Year (Projected)
EV/Revenue	3.21x	3.25x	3.29x
P/S	3.20x	3.24x	3.28x
Market Cap	2.02T	2.3T	2.62T
Peer Comparison			
	EV/Revenue	P/S	Market Cap
Company			
Microsoft	9.76x	9.91x	3.01T
Alphabet	9.05x	9.32x	3.71T
Walmart	1.48x	1.41x	1.00T
Valuation Scenarios			
Scenario	Assumption	Implied Value	Upside/Downside
Bull Case	AWS growth of 25%, advertising continues to expand rapidly	3.3T Market Cap	+43%
Base Case	AWS growth of around 20%, maintain strong revenue growth	2.99T Market Cap	+31%
Bear Case	Slower cloud growth, continued high CapEx, increased competition	2.06T Market Cap	-10.5%

Fundamental Analysis

Quantitative Analysis (Financial Health)

Amazon generated \$716.9B in revenue (TTM) and \$77.7B in net income, showing strong profitability and growth across its business segments. Amazon maintains a strong financial position with \$123B in total cash and a debt-to-equity ratio of approximately 43%, providing flexibility to invest in AI infrastructure and cloud expansion. Operating cash flow remains strong at \$139.5B, while free cash flow is about \$11.2B, reflecting heavy investment in data centers and technology infrastructure.

Key Ratios

- P/E Ratio: 29.4x
- Profit Margin: 10.8%, Return on Equity: 22%, Return on Assets: 7%
- Debt-to-Equity Ratio: 24%, Current Ratio: 1.05
- Quarterly Revenue Growth: 13.6%, EPS Growth: 30% YoY

Quantitative Analysis (Business Fundamentals)

CEO Andy Jassy previously led AWS, giving the company strong leadership in cloud computing and enterprise technology. Amazon benefits from strong brand recognition, a global logistics network, and leadership in cloud computing. The company generates revenue from multiple segments including e-commerce, cloud computing, advertising, and subscription services, which diversifies revenue sources. Growth in global e-commerce, cloud computing adoption, and increasing AI demand support Amazon's long term expansion.

Technical Analysis

Price Action and Charts

- Amazon has shown a long term upward trend, with a 52-week high of \$258.60 and a 52-week low of \$161.38.
- The stock has gained approximately 9.68% over the past 52 weeks, although it has experienced short term consolidation after recent highs.
- Support Level: Approx. \$200
- Resistance Level: Approx \$250, where the stock has struggled to break higher.

Common Technical Indicators

- 50-day Moving Average: \$224.25, 200-day Moving Average: \$224.64
- These averages are very close, suggesting the stock is in a neutral consolidation phase.
- Beta 5Y Monthly: 1.42, indicating Amazon is more volatile than the overall market.
- Average 3-month trading volume: 49.27M shares, showing strong liquidity.

Core Assumption

- Amazon's stock price reflects investor expectations for growth in AWS, e-commerce, and AI infrastructure.
- Amazon has historically experienced sustained growth trends driven by earnings expansion.
- Market sentiment and earnings cycles often create recurring price patterns in large technology stocks.

Conclusion/Recommendation

Investment Recommendation

STRONG BUY

Core Thesis Summary

Amazon is evolving from primarily an e-commerce company into a major provider of digital infrastructure, with AWS becoming a core platform for cloud computing and AI services. Amazon's investments strengthen its long-term competitive advantage in AI data centers, custom chips such as Trainium, and satellite internet through Project Kuiper. Trading at roughly 29× forward earnings while net income grew about 31%, Amazon may represent an attractive long term growth opportunity within the large cap technology sector.

Key Risks:

- **Free Cash Flow Pressure:** Amazon plans to spend heavily on technology and infrastructure investments.
- **Regulatory Risk:** Large technology companies face increasing government scrutiny related to antitrust and competition laws.
- **Execution Risk:** New projects such as Amazon's satellite internet network require significant investment and operational execution.

Target Price & Potential Returns

Target Price: \$280

Potential Upside: 31-33%

Key Catalysts

- Upcoming Earnings Release
- Project Kuiper Launch
- AI & Custom Silicon Chips Expansion
- Growth in Advertising Revenue

Key Financial Metrics

Revenue: \$716.9B

EBITDA Margin: 23.7%

Cash Balance: \$123B

Market Cap: \$2.28T

P/E Ratio: 29.4x

EPS: \$7.17

Company Snapshot

Ticker: AMZN

Current Price: \$210-212

Stock Type

Asset Class: Growth

Size: Large Cap

Dividend: No

Sources:

[Amazon.com, Inc. \(AMZN\) Income Statement - Yahoo Finance](#)

[Amazon.com, Inc. AMZN Stock Forecast & Price Target](#)

[Microsoft Corporation \(MSFT\) Stock Price, News, Quote & History - Yahoo Finance](#)

<https://uk.finance.yahoo.com/quote/GOOGL/>

<https://uk.finance.yahoo.com/quote/WMT/>

[Amazon.com, Inc.](#)

<https://www.aboutamazon.com/what-we-do/devices-services/amazon-leo>