

Apple Report 2021

amazon

AMAZON

COMPANY OVERVIEW

Amazon.com, Inc., incorporated on May 28, 1996, offers a range of products and services through its Websites. The Company's products include merchandise and content that it purchases for resale from vendors and those offered by third-party sellers. It also manufactures and sells electronic devices. The Company operates through three segments: North America, International and Amazon Web Services (AWS). In addition, the Company provides services, such as advertising.

The AWS segment consists of sales of compute, storage, database, and other service offerings for start-ups, enterprises, government agencies and academic institutions. The Company's AWS products include analytics, Amazon Athena, Amazon CloudSearch, Amazon EMR, Amazon Elasticsearch Service, Amazon Kinesis, Amazon Managed Streaming for Apache Kafka, Amazon Redshift, Amazon QuickSight, AWS Data Pipeline, AWS Glue and AWS Lake Formation. AWS solutions include machine learning, analytics and data lakes, Internet of Things, Serverless Computing, containers, enterprise applications, storage and windows workloads.

This is Amazon's second full quarter during the coronavirus pandemic. Given the company's leadership position in online retail and the cloud, its results are a bellwether for the industry.



FINANCIALS - Q3 2020

Amazon reported earnings for its third fiscal quarter of 2020, including revenue up 37% to \$96.1 billion, net income of \$6.3 billion, and earnings per share of \$12.37 (compared to revenue of \$70.0 billion, net income of \$2.1 billion, and earnings per share of \$4.23 in Q3 2019). North American sales were up 39% to \$59.4 billion, while international sales grew 37% to \$25.2 billion.

\$64.7 BILLION

REVENUE

1% INCREASE

\$26.4 BILLION

IPHONE REVENUE

20.7% DECREASE

In a statement, Amazon CEO Jeff Bezos highlighted that Amazon had “created over 400,000 jobs this year alone.”

Indeed, Amazon’s headcount jumped 28% from 876,800 employees in Q2 to 1,125,300 in Q3 (up 50% year-over-year).

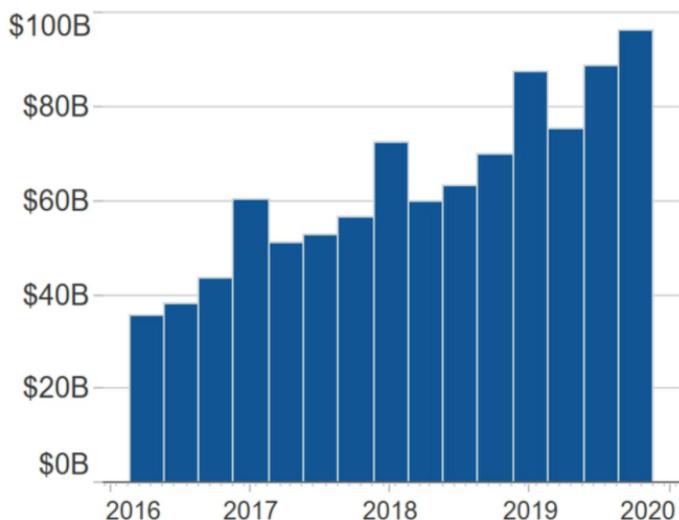
This is Amazon’s second full quarter during the coronavirus pandemic. Given the company’s leadership position in online retail and the cloud, its results are a bellwether for the industry. In Q2, Amazon set aside “\$4.0 billion in costs related to COVID-19,” followed up by \$2.0 billion in Q3. For Q4, Amazon set aside another “\$4.0 billion of costs related to COVID-19.” The company does not want to be seen as benefiting too much from the pandemic – its \$5.2 billion in quarterly profit in Q2 was the largest ever in its 26-year history. It broke that record again in Q3 with \$6.3 billion in quarterly profit, up 200% year-over-year.

Analysts had expected Amazon to earn \$92.7 billion in revenue and report earnings per share of \$7.41. The retail giant thus easily beat on both. The company’s stock was up 1.5% in regular trading and down 2% in after-hours trading. Amazon gave fourth quarter revenue guidance in the range of \$112.0 billion and \$121.0 billion, compared to a consensus of \$112.3 billion from analysts. Bezos noted “more customers than ever shopping early for their holiday gifts, which is just one of the signs that this is going to be an unprecedented holiday season.”

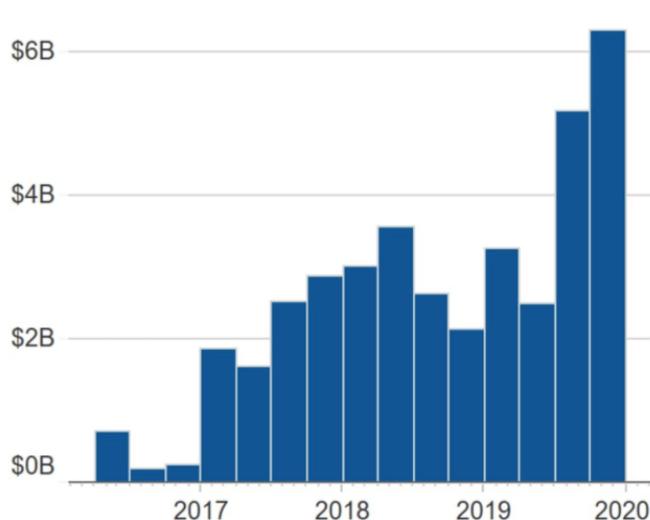
Q3 EARNINGS

REVENUE, NET INCOME

Revenue Q3 2020: \$91.2B



Net Income Q3 2020: \$6.3B



FOURTH QUARTER 2020 RESULTS

WHAT TO EXPECT

Amazon said sales in the fourth quarter will be between \$112 billion and \$121 billion, which comes out to growth of 28% to 38% from a year earlier. Analysts were expecting revenue of \$112.3 billion.

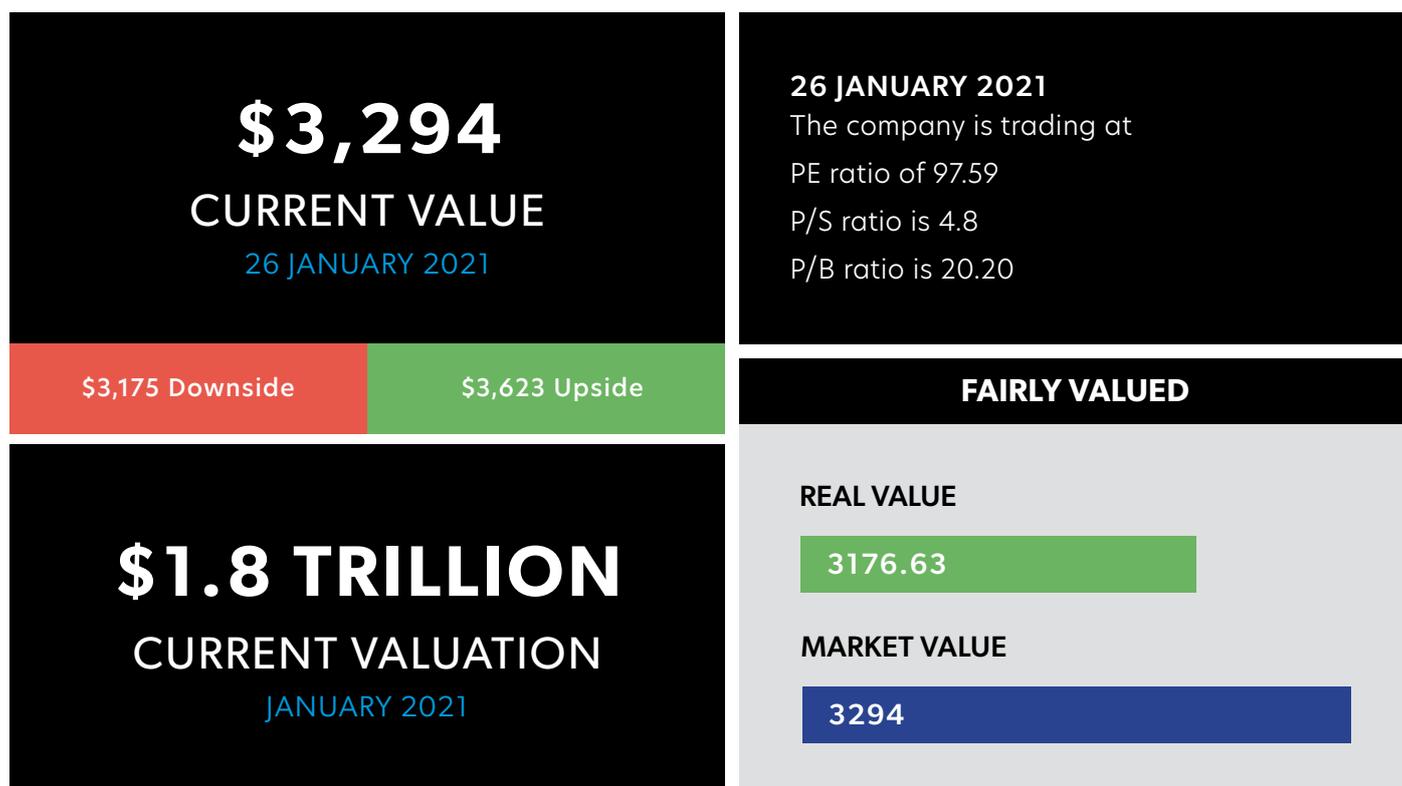
The company forecast operating income of \$1 billion to \$4.5 billion, assuming about \$4.0 billion of costs tied to COVID-19. That's a step up from last quarter, when Amazon said it would spend more than \$2 billion on coronavirus-related measures.

Amazon continues to be one of the biggest beneficiaries of the pandemic, as consumers flock to the site for essential goods, groceries and household items. The cost of shipping those goods to customers rose during the third quarter, with expenses up 57% from a year earlier to \$15.1 billion.

In the three months that ended December, the Seattle-based company is expected to earn \$4.04 per share on revenue of \$85.9 billion. This compares to the year-ago quarter when earnings came to \$6.04 per share on revenue of \$72.38 billion. For the full year, EPS is expected to rise 2.5% year over year to \$22.66 per share, while full year revenue of \$279.17 billion would rise 20% year over year.

VALUATION

Enterprise Value is expected to rise to about 1181.8 B this year. Amazon Com shows a prevailing Real Value of \$3176.63 per share. The current price of the firm is \$3294.0. At this time, the firm appears to be fairly valued. The value of Amazon Com from analyzing the firm fundamentals such as return on equity of 24.95 %, and Profit Margin of 4.99 % as well as examining its technical indicators and Probability Of Bankruptcy.



AVERAGE ANALYST ANALYSIS

Amazon is very steady asset. Analysis and calculation of next after-hype price of Intel is based on 3 months time horizon.

BUY



FINAL THOUGHTS

Amazon is selling for 3326.76 as of the 26th of January 2021. This is a 0.99 percent increase since the beginning of the trading day. The stock's open price was 3294.0. Amazon has a very small chance of experiencing financial distress in the next few years but had a somewhat insignificant performance during the last 30 days

The upcoming quarterly report is expected on the 2nd of February 2021.

With the holiday season past us, we expect higher revenues amongst Amazons services.

In general, we recommend acquiring undervalued stocks and selling overvalued stocks since, at some point, asset prices and their ongoing real values will merge together.