

# Amazon.com, Inc.

**US CORE HOLDING\***

Recommended since 20.07.20

09.01.2025



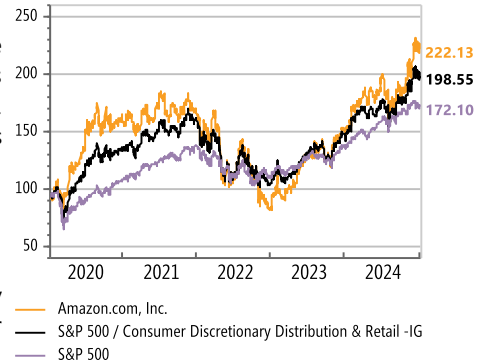
<b>Country</b> US	<b>Market capitalization (bn)</b> USD 2 416,00	<b>Perf. since reco. (%)</b>
<b>Sector</b> Retail	<b>Free float</b> 89,3%	Amazon.com, Inc. 39,0
<b>Factset</b> AMZN-US	<b>Closing price</b> USD 222,13	Sector 41,0
<b>ISIN</b> US0231351067	<b>ESG Risk score*</b> 26,1 Medium risk	



\*From 2015, B&Cie separates its investment recommendations into Core Holdings (higher organic growth potential, high free cash flow, ROCE in excess of the cost of capital and balance sheet efficiency throughout the cycle) and Satellite Recommendations, which do not meet the above criteria but are likely to outperform in the short-to-medium term.

## Profile

Founded in 1994, Amazon has become the world leader in e-commerce, generating more than USD 574 bn in revenues (FY2023). Operating in nearly 20 countries, Amazon is organized into 3 segments: North America, International, and Amazon Web Services (AWS). The company's innovation policy is focused on e-commerce, Cloud computing services (AWS), digital streaming and artificial intelligence.



Source: Factset

## Market - competition - positions - barriers to entry

Thanks to its R&D spending (between 10% and 12% of revenues in recent years), Amazon maintains strategic leadership in its core business segments. The development of a highly efficient ecosystem, including customer focus, innovation, and "physical" stores, has further increased the barriers to entry into this market.

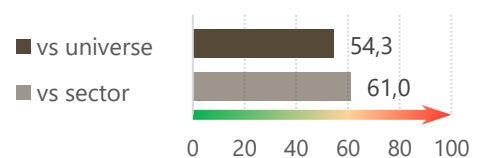
## Investment case

- Amazon operates a unique and diversified business model, structured around six main divisions. E-commerce (40,3% of 2023 revenues) remains at its core, supported by an advanced logistics infrastructure and third-party seller services (24,4%), which generate attractive margins through commissions and Fulfilled by Amazon (FBA). AWS (15,8%) is a strategic pillar, dominating the public cloud market with high EBIT margins (>30%), while subscription services (7%), such as Amazon Prime, strengthen customer loyalty. Advertising (9%) and physical retail (3,5%) round out its integrated ecosystem, maximizing synergies across business segments.
- AWS remains Amazon's primary growth driver, playing a central role in the digital transformation of enterprises. With cloud solutions tailored to mission-critical data and a leadership position in generative AI (via Bedrock, Trainium, and strategic partnerships), AWS capitalizes on the rising demand for AI and cloud infrastructure. This technological diversification, coupled with robust demand, ensures a solid and resilient growth trajectory, even in uncertain macroeconomic environments.
- Advertising is another key profitability lever, showing strong growth driven by Amazon's ability to leverage its customer data across its e-commerce and AWS platforms. This segment, still underappreciated, benefits from high margins and significant expansion potential in a global digital advertising market experiencing steady growth. Moreover, Amazon's investments in logistics automation, sustainability initiatives (electric fleets, emissions reduction), and omnichannel expansion through Whole Foods and Amazon Fresh strengthen its competitive moat.
- With a strategic position in high-growth markets (cloud, advertising, e-commerce), Amazon remains a must-own for investors seeking a combination of technological leadership, diversification, and sustainable innovation. Its integrated ecosystem and ability to efficiently monetize its data provide a durable competitive advantage over the long term.

## ESG - risks and key points

- Competition in e-commerce (Walmart, Costco, eBay), as well as in cloud computing (Azure, Google), remains a significant challenge, along with difficulties in establishing a presence in certain international markets dominated by regional players like Alibaba, Shopee, or MercadoLibre, and facing unfavorable regulations.
- Macro factors, including interest rates, seasonality, and shifting consumer preferences, also weigh on Amazon's operations and growth potential.
- From an ESG perspective, controversies primarily revolve around working conditions, tax optimization practices, and anti-competitive behavior.

## ESG risk vs. universe & sector (percentile)\*



Source: Sustainalytics

## Valuation\*\* in USD

Current price	Value Bordier Scenario	Our scenario assumes USA 10-year yields of 3.5% as well as an improvement in the EBIT margin, stabilising at around 11% by 2027.
222	218	

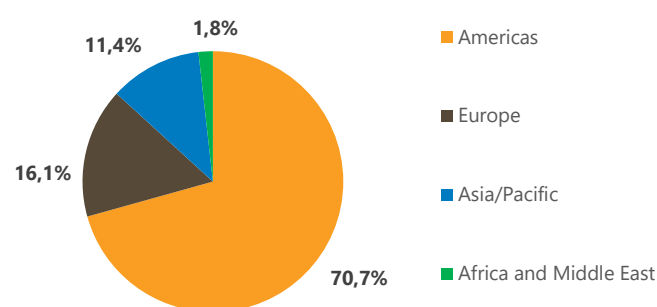
\*\* The theoretical value reflects the company's business model, our baseline growth and profit scenario and market data, exogenous to the company (risk-free rate and equity risk premium). It does not in itself constitute a target price.

## "Bordier Core Holding" indicators

In millions of USD	2022	2023	2024e	2025e	2026e
Sales revenue	513 983	574 785	643 589	717 602	796 538
Sales growth %	10,0%	11,8%	12,0%	11,5%	11,0%
o/w organic	10,0%	11,8%	12,0%	11,5%	11,0%
EBIT adjusted	12 248	36 852	50 974	68 863	85 784
% of sales	2,4%	6,4%	7,9%	9,6%	10,8%
Net income	-2 719	30 437	42 641	57 488	71 533
Adjusted EPS	-0,27	2,90	4,06	5,48	6,82
Adjusted EPS growth	-100,4%	-1186,7%	40,1%	34,8%	24,4%
Capex/Sales	11,3%	8,4%	7,8%	7,1%	6,4%
Free cash-flow	-11 569	36 813	46 017	63 968	78 111
FCF/Sales	-2,3%	6,4%	7,2%	8,9%	9,8%
Dividend per share	0,00	0,00	0,00	0,00	0,00
Dividend yield	0,0%	0,0%	0,0%	0,0%	0,0%
ROCE - WACC	-0,7%	7,5%	9,3%	10,9%	11,1%
ROE (%)	-1,9%	15,1%	17,4%	19,0%	19,2%
Net debt/Ebitda	-5,3%	-33,3%	-72,3%	-110,9%	-152,7%

Source: Factset, Bordier estimates

## Sales breakdown - 12/2023



## Ratios

	Amazon.com, Inc.	S&P 500 Sector	Market	
PE (x)***	Internet & Direct Mark. Retail		S&P 500	
	2023	52,0	24,0	23,5
	2024e	54,7	24,6	24,8
	2025e	40,5	23,1	21,6
P/B (x)***	2023	7,9	7,5	4,8
	2024e	9,6	6,9	5,0
	2025e	7,7	6,0	4,6
	Beta (2Y, daily) vs market:			1,15

\*\*\*) The valuation ratios set out are provided for information only. They do not constitute the criteria based upon which Core Holdings are selected, and may present significant premi-ums representing the quality of the company's business model.

## Governance and ownership structure

Since February 2021, Andy Jassy is the CEO.

## Key shareholders (if any):

Jeff Bezos 10.61%; Mackenzie Bezos 3.89%; The Vanguard Group 6.09%; BlackRock Fund Advisors 3.62%.

## Agenda

30.01.2025: Earnings Q4 2024 - 24.04.2025: Earnings Q1 2025

24.07.2025: Earnings Q2 2025

## Any special characteristics of ownership (multiple voting rights, controlling holding company, shareholders' agreements)

No dividend.

## Glossary

## ESG Risk Score

At B&Cie, we take particular care to ensure that the companies in which we recommend investing are sustainable. Accordingly, our selection process takes account of risks relating to environmental, social and governance (ESG) issues. This approach is underpinned by research from Sustainalytics, the global leader in ESG and corporate governance analysis, whose methodology aims to identify major controversies and risks and assess a company's ESG risks relative to both its sector and the investment universe as a whole. The corresponding score is expressed as a percentile: the lower the overall risk score, the lower the risk within the investment universe.

## b-Digital, b-Transition &amp; b-Well

Over and above the conventional geographical and sectoral approaches to asset management, at B&Cie we believe the world of tomorrow is being shaped by structural trends. We have identified three main megatrends: ongoing digital globalisation of the economy; economic transition, particularly in the energy sector; and the quest for wellness. We believe selecting and investing in companies that play an active role in these transformations should lead to more resilient portfolios that generate higher long-term returns. Our investment recommendations in the digital globalisation space are labelled "b-Digital", those in the economic transition space "b-Transition" and those in the wellness space "b-Well". A given recommendation may fall under more than one theme, in which case it will carry the relevant matching labels.

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