

# Amazon.com, Inc.

12:00 31 Jan 2020

## Amazon.com shares soar as internet shopping giant's quarterly results smash expectations

Amazon.com Inc (NASDAQ:AMZN) saw its shares jump higher on Friday after the internet shopping giant posted quarterly results well above Wall Street expectations after-hours on Thursday.

The Nasdaq-listed firm spotlighted the expansion of its one-day shipping program, which came in under budget, and a jump in membership of its Prime loyalty club.

Amazon said revenue from subscription fees grew by 32% to \$5.2 billion for the quarter ended December 31, as more shoppers signed up for Prime than in any period prior.

The group saw its net quarterly sales rise by 21% to \$87.4 billion, while net income increased by 8% to \$3.3 billion, with both figures over \$1 billion more than analysts had expected.

Amazon also forecast operating income of up to \$4.2 billion in the current quarter, albeit down from \$4.4 billion in the previous year.

In a statement, Amazon's chief executive, Jeff Bezos noted that the world's biggest online retailer now has more than 150 million paid members in its loyalty club Prime, a 50% increase from its last disclosure in April 2018.

In morning trade in New York, Amazon shares were 9.5% higher at \$2,047.55, putting the online retailer back close to the \$1 trillion market capitalisation club.

### Oppenheimer target price raised

In a note to clients, analysts at Oppenheimer raised their target price for Amazon.com to \$2,400 from \$2,040 as they rolled up their valuation framework to 2021 and maintained an 'outperform' rating on the internet retailer's stock.

They pointed out: "AWS revenue and margins were better than feared, while ecommerce gross profit growth was consistent with 3Q, as higher 3P/FBA demand offset added costs from 1-Day/Same-Day delivery investments.

"Prime subs now at 150M, up 50% from April 2018, providing \$18B in annual funding for investment in future products and geographic expansion. Advertising slowed, but still growing close to 50% y/y."

The analysts said: "We now assume 2020 AWS revenue/EBIT up 30%/47%, aided by extended new datacenter life (from 3 to 4 years) and 1-Day Prime expenses tailing off, driving ecommerce gross profit up 18% y/y and consolidated EBITDA up +16%."

-- Adds analyst comment, updates share price --

**Price:** 3200

**Market Cap:** \$1.6 trillion

### 1 Year Share Price Graph



### Share Information

**Code:** AMZN

**Listing:** NASDAQ

**52 week High Low**  
3213.11 1627

**Sector:** Retail

**Website:** www.amazon.com

### Company Synopsis:

Amazon.com, Inc. offers services to consumers, sellers, and developers through its retail Websites. The Company offers programs that enable sellers to sell their products on its Websites and their own branded Websites.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.