Amazon.com Inc. (AMZN)

Q2'26 Earnings Preview: Addressing Key Operating Themes & Investor Debates

AMZN	12m Price Target: **$335.00**	Price: **$245.98**	Upside: **36.2%**

BUY

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Ahead of its upcoming earnings report & on the back of recent industry conversations and channel checks, we frame what we see as the key operating themes and investor debates for Amazon. Amazon's stock has remained volatile intra-quarter with a downward trend as investor focus has shifted across an array of debates spanning:

- **The overall health of the consumer** (most pronounced with mixed consumer retail earnings reports last month) – on this point, we would highlight proof points throughout Q2 & early in Q3 (including the company's recent Prime Day with sales up +9.5% YoY) as indicating an overall stable Amazon consumer albeit with a few notable trends (consistent over the last 12+ months): more price sensitivity, shift toward consumer staples and an overall concentration of purchasing strength residing in higher income households.
- **AI capex and ROIC** as the market has shifted away from the builders of AI infrastructure over questions about industry competition, return profile of invested capital and an open question about sources of capital (including public equity issuance) against the rising capex trends across 2025-2028).

As to the broader AI theme, we address several topics in this note (as it relates to our views on Amazon's strategic positioning and how it translates into forward estimates), including:

1. **Capex:** Raising our 2027-2030 capex estimates for AWS on the back of continued constraints between the demand for AI and the wider supply of compute coupled with an inflationary pressure around key capex inputs (overall data center construction, 3rd party chips & memory). Specifically, we now expect Amazon to spend a cumulative ~$827bn between

Key Data

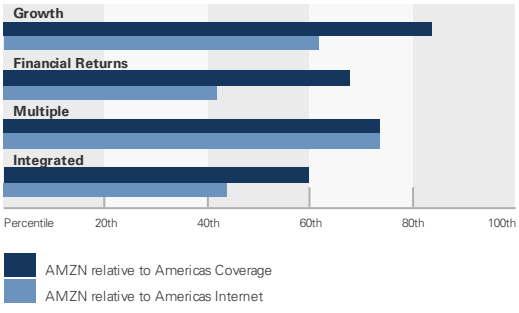
Market cap: $2.7tr
Enterprise value: $2.7tr
3m ADTV: $12.9bn
United States
Americas Internet
M&A Rank: 3

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue ($ mn) New	**716,924.0**	**827,599.5**	**952,883.5**	**1,081,038.0**
Revenue ($ mn) Old	716,924.0	827,599.5	946,630.9	1,063,340.6
EBITDA ($ mn)	145,731.0	193,275.2	255,843.1	331,745.5
EBIT ($ mn)	79,975.0	106,711.4	140,073.2	179,773.4
EPS ($) New	**7.17**	**8.85**	**10.15**	**12.84**
EPS ($) Old	7.17	9.02	10.58	13.11
P/E (X)	30.3	27.8	24.2	19.2
Dividend yield (%)	–	–	–	–
Net debt/EBITDA (X)	(0.1)	0.1	0.2	0.2

	6/26	9/26E	12/26E	3/27E
EPS ($)	1.76	1.96	2.35	2.35

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates.
See disclosures for details.

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BUY

Amazon.com Inc. (AMZN)

Rating since Sep 12, 2021

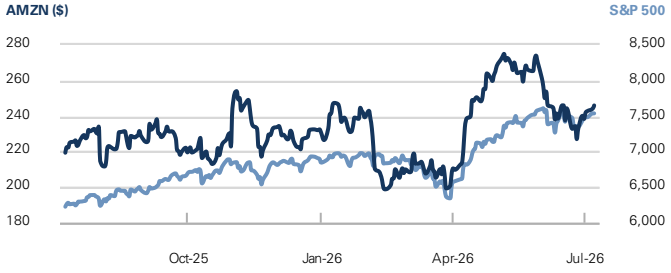
Ratios & Valuation

	12/25	12/26E	12/27E	12/28E
P/E (X)	30.3	27.8	24.2	19.2
EV/EBITDA (X)	15.8	13.8	10.6	8.3
EV/sales (X)	3.2	3.2	2.9	2.6
FCF yield (%)	0.5	(0.6)	(1.5)	(1.1)
EV/DACF (X)	15.1	13.9	11.5	9.1
CROCI (%)	27.9	26.3	24.3	23.7
ROE (%)	22.3	20.7	19.0	19.4
Net debt/EBITDA (X)	(0.1)	0.1	0.2	0.2
Net debt/equity (%)	(5.1)	2.3	7.5	9.8
Interest cover (X)	35.2	22.4	26.6	34.4
Inventory days	37.1	36.7	36.2	35.9
Receivable days	31.4	33.0	34.7	36.6
Days payable outstanding	110.7	114.9	109.8	105.5

Growth & Margins (%)

	12/25	12/26E	12/27E	12/28E
Total revenue growth	12.4	15.4	15.1	13.4
EBITDA growth	15.2	28.4	29.0	28.1
EPS growth	29.8	23.3	14.7	26.5
DPS growth	NM	NM	NM	NM
Gross margin	50.3	51.4	52.5	53.5
EBIT margin	11.2	12.9	14.7	16.6

Price Performance



	3m	6m	12m
Absolute	15.1%	1.8%	10.1%
Rel. to the S&P 500	1.0%	(6.5)%	(9.0)%

Source: FactSet. Price as of 7 Jul 2026 close.

Income Statement ($ mn)

	12/25	12/26E	12/27E	12/28E
Total revenue	716,924.0	827,599.5	952,883.5	1,081,038.0
Cost of goods sold	(356,414.0)	(402,468.6)	(452,325.1)	(502,811.5)
SG&A	(167,375.0)	(186,403.9)	(203,401.3)	(217,242.8)
R&D	(108,521.0)	(131,568.6)	(157,084.0)	(181,210.3)
Other operating inc./(exp.)	(4,639.0)	(447.0)	–	–
EBITDA	**165,198.0**	**212,138.6**	**273,763.3**	**350,561.7**
Depreciation & amortization	(65,756.0)	(86,563.8)	(115,770.0)	(151,972.2)
EBIT	**79,975.0**	**106,711.4**	**140,073.2**	**179,773.4**
Net interest inc./(exp.)	2,107.0	324.1	(636.7)	(2,235.9)
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**97,311.0**	**122,682.5**	**139,436.5**	**177,537.5**
Provision for taxes	(19,087.0)	(26,129.7)	(27,887.3)	(35,507.5)
Minority interest	(554.0)	(19.0)	0.0	0.0
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**77,670.0**	**96,533.8**	**111,549.2**	**142,030.0**
Net inc. (post-exceptionals)	**77,670.0**	**96,533.8**	**111,549.2**	**142,030.0**
EPS (basic, pre-except) ($)	**7.29**	**8.96**	**10.27**	**12.99**
EPS (diluted, pre-except) ($)	**7.17**	**8.85**	**10.15**	**12.84**
EPS (ex-ESO exp., dil.) ($)	**--**	**--**	**--**	**--**
DPS ($)	–	–	–	–
Div. payout ratio (%)	0.0	0.0	0.0	0.0
Wtd avg shares out. (basic) (mn)	10,656.0	10,778.6	10,859.3	10,932.5
Wtd avg shares out. (diluted) (mn)	10,827.0	10,909.6	10,990.3	11,063.5

Balance Sheet ($ mn)

	12/25	12/26E	12/27E	12/28E
Cash & cash equivalents	86,810.0	105,475.5	66,706.5	33,698.0
Accounts receivable	67,729.0	82,123.6	98,972.6	117,848.9
Inventory	38,325.0	42,586.8	47,075.9	51,795.1
Other current assets	36,219.0	35,386.4	28,822.5	23,476.1
Total current assets	**229,083.0**	**265,572.4**	**241,577.5**	**226,818.1**
Net PP&E	357,025.0	493,395.1	673,207.5	875,829.9
Net intangibles	23,273.0	23,449.0	23,449.0	23,449.0
Total investments	0.0	0.0	0.0	0.0
Other long-term assets	122,607.0	151,827.0	151,827.0	151,827.0
Total assets	**818,042.0**	**1,022,984.5**	**1,178,802.0**	**1,366,665.0**
Accounts payable	121,909.0	131,392.7	140,740.6	149,895.6
Short-term debt	–	–	–	–
Current lease liabilities	–	–	–	–
Other current liabilities	96,096.0	107,839.1	120,506.0	133,952.1
Total current liabilities	**218,005.0**	**239,231.9**	**261,246.6**	**283,847.7**
Long-term debt	65,648.0	117,310.8	115,547.5	113,784.3
Non-current lease liabilities	87,339.0	95,345.7	101,442.4	107,621.4
Other long-term liabilities	35,985.0	48,072.0	48,072.0	48,072.0
Total long-term liabilities	**188,972.0**	**260,728.5**	**265,061.9**	**269,477.7**
Total liabilities	**406,977.0**	**499,960.3**	**526,308.5**	**553,325.4**
Preferred shares	–	–	–	–
Total common equity	**411,065.0**	**523,024.1**	**652,493.4**	**813,339.6**
Minority interest	–	–	–	–
Total liabilities & equity	**818,042.0**	**1,022,984.5**	**1,178,802.0**	**1,366,665.0**
BVPS ($)	37.97	47.94	59.37	73.52

Cash Flow ($ mn)

	12/25	12/26E	12/27E	12/28E
Net income	77,670.0	96,533.8	111,549.2	142,030.0
D&A add-back	65,756.0	86,563.8	115,770.0	151,972.2
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	(19,969.0)	(14,534.5)	676.7	(994.4)
Others	16,057.0	16,029.3	17,920.2	18,816.2
Cash flow from operations	**139,514.0**	**184,592.4**	**245,916.0**	**311,823.9**
Capital expenditures	(128,320.0)	(200,105.0)	(285,149.6)	(342,179.5)
Acquisitions	(3,841.0)	(15,408.0)	–	–
Divestitures	–	–	–	–
Others	(10,384.0)	316.6	6,564.0	5,346.4
Cash flow from investing	**(142,545.0)**	**(215,196.4)**	**(278,585.6)**	**(336,833.1)**
Dividends paid	–	–	–	–
Share issuance/(repurchase)	–	–	–	–
Inc/(dec) in debt	11,546.0	51,586.8	(1,763.2)	(1,763.2)
Others	(484.0)	(2,317.2)	(4,336.1)	(6,236.0)
Cash flow from financing	**11,062.0**	**49,269.6**	**(6,099.4)**	**(7,999.3)**
Total cash flow	**8,031.0**	**18,665.5**	**(38,769.0)**	**(33,008.5)**
Free cash flow	11,194.0	(15,512.6)	(39,233.6)	(30,355.6)
Free cash flow per share (basic) ($)	1.05	(1.44)	(3.61)	(2.78)

Source: Company data, Goldman Sachs Research estimates.

2026-2028E before capex growth decelerating to a more normalized level in 2029 and beyond.

2. **AWS – Revenue:** Raising our AWS revenue forecasts on the back of continued work around backlog conversion, capacity coming online, traditional workload migration strength and recent pricing actions (beginning July 1) that could impact revenue trajectory. Specifically, we now expect AWS revenues to grow ~33% YoY in 2026, ~35% YoY in 2027 and grow at a ~29% 4-year CAGR between '25-'29.
3. **AWS – Trainium (custom silicon):** A discussion on our view that AMZN's custom silicon efforts (Tranium, etc.) position the company well strategically to capitalize on broader industry secular growth tailwinds and have the potential to act as a tailwind for forward operating margins long-term.
4. **Funding:** A framing of AMZN's potential capital needs (given our forecasts for AWS capex to place AMZN in a ~$70b FCF deficit across 2027/2028) – our conclusion is that recent debt issuance and continued access to debt capital markets are likely to meet any such medium term disconnect between forward capex trends and revenue/EBIT return on a ~2 year basis (based on our work on the return profile of cost of compute to monetization)
5. **Shopping:** A discussion on how AMZN's recent shift in branding its agentic efforts (from Rufus to Alexa+) positions the company to be at the forefront of a shift toward more agentic shopping behavior (potentially turning what has been a consistent investor perception of poor industry positioning into a neutral to positive framing).

In our parallel Digital Advertising preview note (link), we also address both a) how many of these same themes across the building of compute, monetization of scaled compute and capital needs apply to Alphabet and Meta as well; & b) how AMZN remains positively exposed to key industry themes around retail media migration, continued shifts toward direct response forms of advertising and the competitive positioning of its DSP (demand-side platform).

On the back of our updated thematic work and operating estimate changes, we reiterate our Buy rating and raise our 12-month PT from $325 to $335 (still presenting as one of the most compelling risk/rewards over the medium/long term in our coverage universe) and modify our 12-month PT methodology to reflect a SOTP approach given the different revenue, margin and capital intensity profiles of their various operation segments and geographic exposures. We remain of the view that Amazon can produce a strong mix of compounded revenue growth and operating margin expansion on a multi-year horizon while continuing to make critical investments in long-term growth initiatives - history with the company has been instructive that investment cycles should be utilized as good entry points in the shares against the ability to generate long-term returns.

Addressing Key Debates: AWS, Agentic Shopping & ASCS

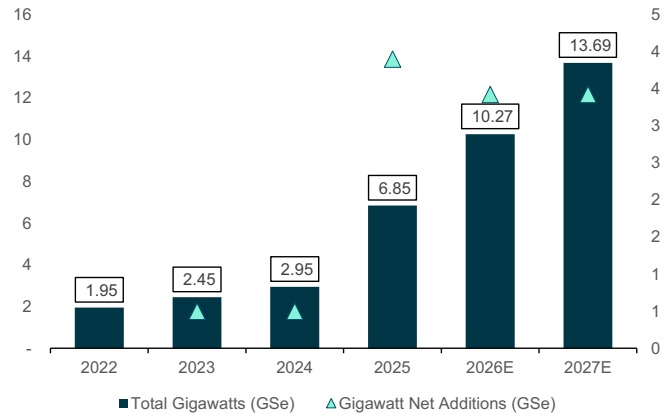
AWS: Raising Revenue Forecasts and Capex Projections

A primary focus of investor debate regarding AMZN centers on the strategic positioning and forward revenue growth trajectory of AWS, as well as the scale of capex required to sustain this growth and visibility into linearity of the return on invested capital. Specifically, with 2026 capex relatively established (ex any input cost inflation impacts), investor focus has shifted to 2027 & beyond including how key variables such as the timeline of build outs (i.e., when supply-constraints may ease), input cost inflation, supply chain bottlenecks, mix of custom 3P silicon, etc. might impact capex/capital intensity/ROIC in the coming years. As such, we have adjusted our forward capex estimates upward to reflect this projected spending. As we detailed in our prior analysis (link), converting an accelerating backlog into realized revenue necessitates substantial capital investment in the coming quarters. In alignment with our broader macroeconomic view (link), we are revising our capex projections upward, as our ongoing research indicates that additional capital is required to support this extensive, multi-year infrastructure cycle.

Despite heavy investment in 2025, Amazon remains supply-constrained with a significant backlog of demand, with management recently expressing several factors (i.e., instant monetization of capacity as it comes online) that give the company high visibility into medium-term demand. According to 451 Research, as of 2025, Amazon had ~6.85 gigawatts (GW) of data center capacity distributed across roughly 200 global facilities, with ~260 data centers yet to come online. Management noted the addition of approximately 3.9 GW of capacity in 2025, which doubled its 2022 footprint, and outlined plans to double its 2025 capacity by 2027.

Our analysis suggests additional forward capex is required to facilitate planned capacity additions. Our hardware team estimates the cost to build 1 GW of data center capacity is $50 billion to $60 billion. This total comprises approximately $15 billion for physical infrastructure (such as land and power procurement) and $35 billion to $45 billion for IT hardware (including servers and storage). Amazon has also indicated that the timeline for these investments to generate revenue is approximately 0.5 to 2.0 years from the initial cash outlay to customer billing. Consequently, we estimate that achieving Amazon's target of doubling its capacity over the next two years will require approximately $200-250 billion in 2027 AWS capital expenditures (Exhibit 3).

Exhibit 1: Estimated Gigawatt Capacity
Total GW (Left) & GW Net Adds (Right)



Source: 451 Research , Data compiled by Goldman Sachs Global Investment Research

Exhibit 2: Datacenter Buildout Should Lead to Significant Capex
Illustrative Capacity to Capex Conversion

	2022	2023	2024	2025	2026E	2027E
Capacity Estimation						
Total Gigawatts (GSe)	1.95	2.45	2.95	6.85	10.27	13.69
Gigawatt Net Additions (GSe)		0.50	0.50	3.9	3.42	3.42
Unique Data Centers Online	59	74	89	206	309	412
Data Center Net Additions		15	15	117	103	103
kW per Data Center (GSe)	33,231	33,231	33,231	33,231	33,231	33,231
Bridge to 2026 + 2027 Capex						
Capex (Prior Assumptions)	$ 58,321	$ 48,133	$ 77,658	$ 128,320	$ 200,105	$ 270,142
Percentage Attributed to AWS (GSe)	46%	51%	62%	68%	74%	76%
AWS Capex (Prior Assumptions)	$ 26,608	$ 24,735	$ 48,239	$ 86,984	$ 147,077	$ 205,308
Capex per GW added (2022-2025)						$ 32,673
Assumed Capex per GW added (for 2026-2027)						$ 55,000
GWs to be added in 2026 & 2027						6.85
AWS Capex in 2026 & 2027						$ 376,511

Capex Split Between 2026 & 2027	2026 *(Unchanged)*	2027
Total Capex	$ 200,105	$ 294,268
% Attributed to AWS	74%	78%
AWS Capex	$ 147,077	$ 229,434
Non-AWS Capex (unchanged from prior)	$ 53,028	$ 64,834

Source: 451 Research, Company data, Goldman Sachs Global Investment Research

Exhibit 3: Illustrative 2027 AWS Capex Spend
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2027 AWS Capex Spend		% of 2026 Capex Attributed to AWS			
		65%	70%	75%	80%
Capex per GW Added	$ 40,000	$ 143,758	$ 133,753	$ 123,747	$ 113,742
	$ 45,000	$ 177,986	$ 167,981	$ 157,976	$ 147,970
	$ 50,000	$ 212,214	$ 202,209	$ 192,204	$ 182,199
	$ 55,000	$ 246,443	$ 236,437	$ 226,432	$ 216,427
	$ 60,000	$ 280,671	$ 270,666	$ 260,660	$ 250,655
	$ 65,000	$ 314,899	$ 304,894	$ 294,889	$ 284,883
	$ 70,000	$ 349,127	$ 339,122	$ 329,117	$ 319,112
	$ 75,000	$ 383,356	$ 373,350	$ 363,345	$ 353,340

Source: Company data, Goldman Sachs Global Investment Research

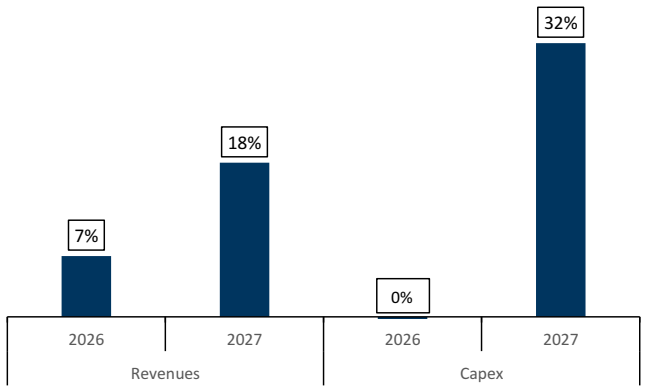
Exhibit 4: AWS Capital Intensity to Remain Elevated vs. Historical Norm
Amazon Capital Intensity Analysis - AWS vs. Non-AWS

Amazon Capital Intensity Analysis	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Segment *(AWS vs. Other)*										
AWS Revenues	$ 35,026	$ 45,370	$ 62,202	$ 80,096	$ 90,757	$ 107,556	$ 128,725	$ 171,285	$ 231,841	$ 292,119
YoY growth	*37%*	*30%*	*37%*	*29%*	*13%*	*19%*	*20%*	*33%*	*35%*	*26%*
AWS Capital Investments (GSe)	**$ 11,139**	**$ 12,588**	**$ 18,234**	**$ 26,744**	**$ 25,064**	**$ 48,770**	**$ 88,957**	**$ 150,769**	**$ 227,115**	**$ 280,112**
YoY growth	*30%*	*13%*	*45%*	*47%*	*-6%*	*95%*	*82%*	*69%*	*51%*	*23%*
% Capital Investments	44%	29%	30%	46%	51%	62%	68%	74%	78%	80%
% Tech Infrastructure Capital Investments	97%	71%	76%	83%	79%	83%	82%	86%	91%	93%
Non-AWS Tech Infrastructure Capital Investments	**$ 384**	**$ 5,072**	**$ 5,693**	**$ 5,497**	**$ 6,639**	**$ 10,114**	**$ 19,964**	**$ 24,103**	**$ 23,585**	**$ 21,359**
YoY growth		*1221%*	*12%*	*-3%*	*21%*	*52%*	*97%*	*21%*	*-2%*	*-9%*
% Capital Investments	1%	11%	10%	9%	14%	13%	15%	12%	8%	6%
% Tech Infrastructure Capital Investments	3%	29%	24%	17%	21%	17%	18%	14%	9%	7%

Source: Company data, Goldman Sachs Global Investment Research

Since April 1st, our capex estimates (as defined by additions to PP&E) for AMZN rose +0% / +32% for FY2026/FY2027, respectively (or a combined ~$68bn total increase for both years). Revenue similarly rose +7%/+18% for FY2026/FY2027 respectively. Investors remain focused on getting visibility/confidence into if/when capital intensity may moderate longer-term, and its translation to topline growth.

Exhibit 5: We have raised our estimates for AWS Revenue and Capex since April 1st
GS Adjustments Since April 1st



Source: Goldman Sachs Global Investment Research

We see potential for additional revenue upside from significant backlog and updated capex. We refresh our previously published backlog conversion framework for our updated estimates and most recent backlog figure. To illustrate the potential upside case or "blue sky" scenario for forward cloud revenue growth as capacity comes online and current backlogs are converted into revenues, below we present an analysis flexing

several variables & how they translate into revenue growth for AWS. **It suggests that our current AWS revenue numbers have ~10-20% upside from current levels.** This is not meant to be interpreted as our "base case" and should only be used as an illustrative example. The below are our assumptions for the framework:

- GSe cloud capital investments convert into gross backlog additions at a 6-year rate at varying degrees of ROIC (between 0.85x in year 0 and 1.3x in year 6, averaging 1.12x)
- Period-ending backlog figures convert at a 5-year rate, with 50% of backlog conversion in the first 24 months
- Core revenue bases (2025 levels) grow at a ~MSD % rate
- Platform sees an annual revenue attrition rate of ~L-MSD% (to account for customer churn, etc.)

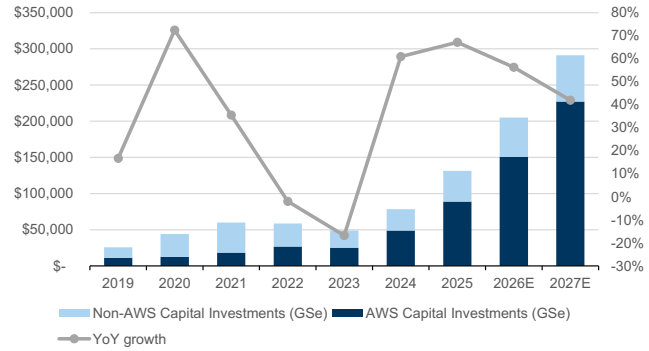
Exhibit 6: AWS Backlog Conversion Framework

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		2023	2024	2025	2026E	2027E	2028E	2029E	Comments
[A]	**YE Backlog**	$ 155,700	$ 177,000	$ 244,000	$ 364,000	$ 309,667	$ 243,004	$ 197,976	*[Prior Year] + [AG]*
	% y/y growth	*41.0%*	*13.7%*	*37.9%*	*49.2%*	*-14.9%*	*-21.5%*	*-18.5%*	
[B]	**AWS Capex**	$ 25,064	$ 48,770	$ 88,957	$ 150,769	$ 227,115	$ 280,112	$ 287,845	*GS estimates*
	$s added	*$ (1,851)*	*$ 23,705*	*$ 40,188*	*$ 61,811*	*$ 76,347*	*$ 52,997*	*$ 7,733*	
[C]	**Gross Backlog Additions**	$ 45,300	$ 21,300	$ 67,000	$ 120,000	$ 95,267	$ 151,640	$ 208,754	**[D] + [H] + [L] + [P] + [T] + [X] + [AB]**
[D]	From 2023 Capex	$ 2,130	$ 6,266	$ 7,206	$ 4,512	$ 3,916	$ 4,073		[E] * [G]
[E]	*Capex $s*	*$ 2,506*	*$ 6,266*	*$ 6,266*	*$ 3,760*	*$ 3,133*	*$ 3,133*		*[B] * [F]*
[F]	*% of total annual capex*	*10.0%*	*25.0%*	*25.0%*	*15.0%*	*12.5%*	*12.5%*		
[G]	*Multiplier*	*0.85x*	*1.00x*	*1.15x*	*1.20x*	*1.25x*	*1.30x*		
[H]	From 2024 Capex		$ 4,145	$ 12,192	$ 14,021	$ 8,779	$ 7,620	$ 7,925	[I] * [K]
[I]	*Capex $s*		*$ 4,877*	*$ 12,192*	*$ 12,192*	*$ 7,315*	*$ 6,096*	*$ 6,096*	*[B] * [J]*
[J]	*% of total annual capex*		*10.0%*	*25.0%*	*25.0%*	*15.0%*	*12.5%*	*12.5%*	
[K]	*Multiplier*		*0.85x*	*1.00x*	*1.15x*	*1.20x*	*1.25x*	*1.30x*	
[L]	From 2025 Capex			$ 7,561	$ 22,239	$ 25,575	$ 16,012	$ 13,900	[M] * [O]
[M]	*Capex $s*			*$ 8,896*	*$ 22,239*	*$ 22,239*	*$ 13,344*	*$ 11,120*	*[B] * [N]*
[N]	*% of total annual capex*			*10.0%*	*25.0%*	*25.0%*	*15.0%*	*12.5%*	
[O]	*Multiplier*			*0.85x*	*1.00x*	*1.15x*	*1.20x*	*1.25x*	
[P]	From 2026 Capex				$ 12,815	$ 37,692	$ 43,346	$ 27,138	[Q] * [S]
[Q]	*Capex $s*				*$ 15,077*	*$ 37,692*	*$ 37,692*	*$ 22,615*	*[B] * [R]*
[R]	*% of total annual capex*				*10.0%*	*25.0%*	*25.0%*	*15.0%*	
[S]	*Multiplier*				*0.85x*	*1.00x*	*1.15x*	*1.20x*	
[T]	From 2027 Capex					$ 19,305	$ 56,779	$ 65,296	[U] * [W]
[U]	*Capex $s*					*$ 22,712*	*$ 56,779*	*$ 56,779*	*[B] * [V]*
[V]	*% of total annual capex*					*10.0%*	*25.0%*	*25.0%*	
[W]	*Multiplier*					*0.85x*	*1.00x*	*1.15x*	
[X]	From 2028 Capex						$ 23,810	$ 70,028	[Y] * [AA]
[Y]	*Capex $s*						*$ 28,011*	*$ 70,028*	*[B] * [Z]*
[Z]	*% of total annual capex*						*10.0%*	*25.0%*	
[AA]	*Multiplier*						*0.85x*	*1.00x*	
[AB]	From 2029 Capex							$ 24,467	[AC] * [AE]
[AC]	*Capex $s*							*$ 28,785*	*[B] * [AD]*
[AD]	*% of total annual capex*							*10.0%*	
[AE]	*Multiplier*							*0.85x*	
[AF]	*Less: Backlog Drawdown*				*$ (56,120)*	*$ (149,600)*	*$ (218,303)*	*$ (253,781)*	*[AJ]*
[AG]	**Net Backlog Additions**				$ 63,880	$ (54,333)	$ (66,663)	$ (45,027)	**[C] + [AF]**
	AWS Revenues - Current GSe	$ 90,757	$ 107,556	$ 128,725	$ 171,285	$ 231,841	$ 292,119	$ 359,306	
	% y/y growth	*13.3%*	*18.5%*	*19.7%*	*33.1%*	*35.4%*	*26.0%*	*23.0%*	
[AH]	**AWS Revenues - Upside Case**	$ 90,757	$ 107,556	$ 128,725	$ 187,420	$ 285,897	$ 358,742	$ 399,485	**[AI] + [AJ] + [AS]**
	% y/y growth	*13.3%*	*18.5%*	*19.7%*	*45.6%*	*52.5%*	*25.5%*	*11.4%*	
	y/y $s added	*$ 10,661*	*$ 16,799*	*$ 21,169*	*$ 58,695*	*$ 98,477*	*$ 72,845*	*$ 40,743*	
	% upside vs. GSe				*9.4%*	*23.3%*	*22.8%*	*11.2%*	
[AI]	**Core Revenue Base**	$ 90,757	$ 107,556	$ 128,725	$ 135,161	$ 141,919	$ 149,015	$ 156,466	**Assume '25 reported revenue grows at 5%/yr**
	% y/y growth	*n/a*	*n/a*	*n/a*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	
[AJ]	**Backlog Conversion**				$ 56,120	$ 149,600	$ 218,303	$ 253,781	**[AK] + [AM] + [AO] + [AQ]**
[AK]	2025 Backlog				$ 56,120	$ 65,880	$ 48,800	$ 41,480	[A] * [AL]
[AL]	*% conversion*				*23.0%*	*27.0%*	*20.0%*	*17.0%*	
[AM]	2026 Backlog					$ 83,720	$ 98,280	$ 72,800	[A] * [AN]
[AN]	*% conversion*					*23.0%*	*27.0%*	*20.0%*	
[AO]	2027 Backlog						$ 71,223	$ 83,610	[A] * [AP]
[AP]	*% conversion*						*23.0%*	*27.0%*	
[AQ]	2028 Backlog							$ 55,891	[A] * [AR]
[AR]	*% conversion*							*23.0%*	
[AS]	**Revenue Attrition**				$ (3,862)	$ (5,623)	$ (8,577)	$ (10,762)	**[AH] * [AT]**
[AT]	*% attrition rate*				*-3.0%*	*-3.0%*	*-3.0%*	*-3.0%*	
	AWS EBIT - Current GSe	$ 24,631	$ 39,834	$ 45,606	$ 61,012	$ 83,743	$ 107,707	$ 135,174	
	% margin	*27.1%*	*37.0%*	*35.4%*	*35.6%*	*36.1%*	*36.9%*	*37.6%*	
	% incr. margin	*16.8%*	*90.5%*	*27.3%*	*36.2%*	*37.5%*	*39.8%*	*40.9%*	

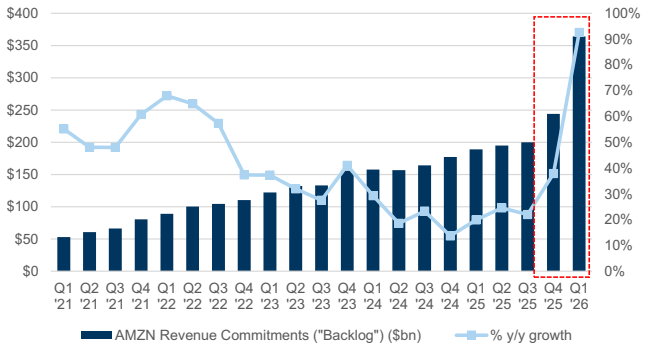
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 7: We expect capital investments to remain elevated for AMZN in the coming years...
Capex (AWS vs Non-AWS) ($m)



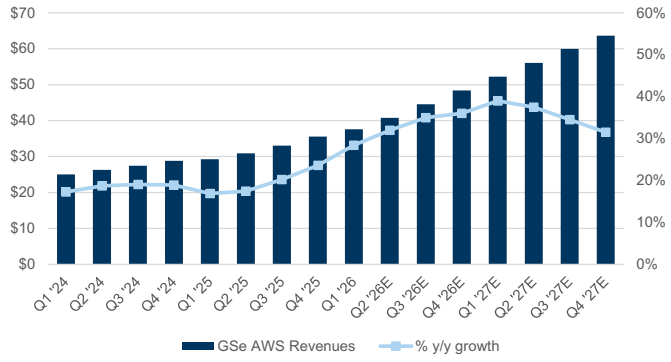
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 8: ...as AMZN builds out capacity to support a growing backlog...
AMZN Reported Revenue Commitments ("Backlog"), $bn



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 9: ....which is supportive of sustained ~30%+ AWS revenue growth of the next 2 yrs.
GSe AWS Segment Revenues ($bn)



Source: Company data, Goldman Sachs Global Investment Research

Framing the Capital Needs of AI-led Growth

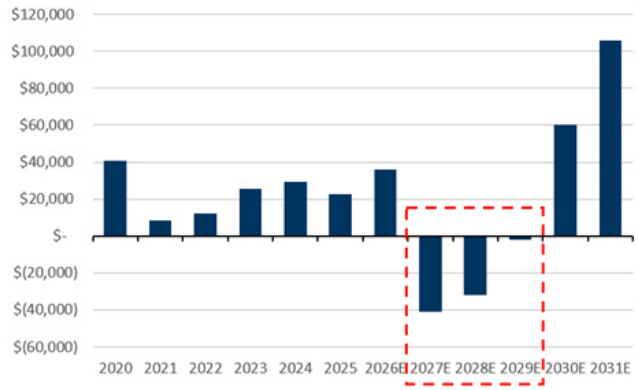
Given our expectations for capex to remain elevated in the coming years and in light of recent capital raises in various forms by both AMZN (debt) and peers (GOOGL's ~$85bn equity capital raise intended to expand AI infrastructure and compute - link & debt raises by SPCX - link) investors are increasingly focused on potential future capital raises by Amazon to fund these investments. **Amazon has low operational capital requirements given (1) its negative working capital dynamics** (i.e., customers pay Amazon immediately for the goods purchased, whereas suppliers are often paid 60-90 days later, making for a negative cash conversion cycle) **(2) already high levels of cash on the balance sheet and (3) limited debt covenants and financing requirements.** That being said, given the heightened capex, we have seen Amazon engage in recent capital raises to fuel future growth (Exhibit 14).

- **Free Cash Flow to Equity (FCFE)**: Despite continued strength in cash from operations, we project FCFE going negative for first time in 2027 (to negative $41b).
- **Capex Coverage Ratio**: Historically, Amazon's CapEx coverage ratio has remained

below 1.0x, indicating that the company has been fully capable of self-funding its capital investments through core operating cash flows. The only exceptions occurred during fiscal years 2021 and 2022, a period characterized by the aggressive expansion of Amazon's physical logistics and fulfillment networks. During this expansion phase, the company relied heavily on debt markets to fund the capital shortfall (Exhibit 13). Although the macroeconomic environment has shifted toward a higher interest rate environment Exhibit 15, (with Amazon's average cost of debt issued rising from 3.17% during the 2020–2022 period to 4.45% during the 2025–2026 period) the company has continued to utilize debt markets to fund its forward capex commitments (Exhibit 14).

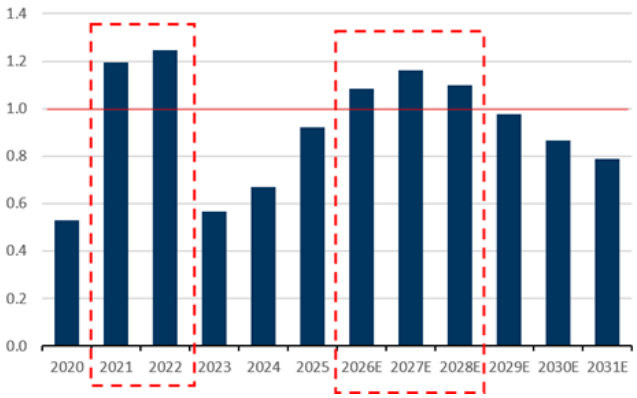
- **Debt to Adj EBITDA:** Amazon continues to maintain a conservative leverage profile, with its Debt to Adjusted EBITDA ratio consistently remaining below 1.0x and exhibiting a downward trend in recent years (Exhibit 12). Assuming it is able to find liquidity in the market, we see room for Amazon to increase leverage if necessary.

Exhibit 10: FCFE is Expected to Turn Negative in '27 and '28
$m



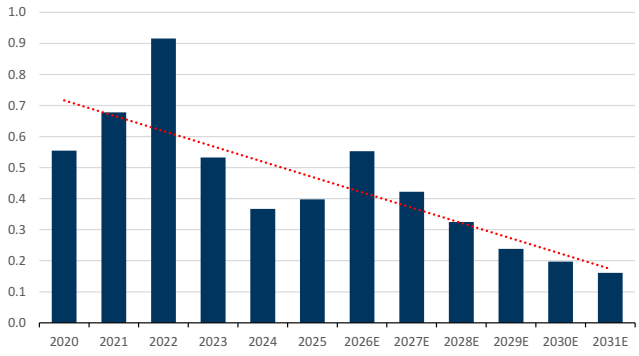
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 11: Capital Coverage Ratio is Raising Above 1x



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 12: Amazon has Consistently Low Levels of Leverage
Debt-to-Adj EBITDA



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 13: Debt Raised from 2020-2022

Debt Raised 2020-2022			
Debt	**Raised**	**Maturities**	**Interest Rate**
2020 Notes Issuance	$10b	2027-2060	1.26-2.77%
2021 Notes Issuance	$18.5b	2026-2061	1.14-3.31%
2022 Notes Issuance	$12.8b	2027-2062	3.4-4.15%
2022 Notes Issuance	$8.3b	2027-2032	4.61-4.74%

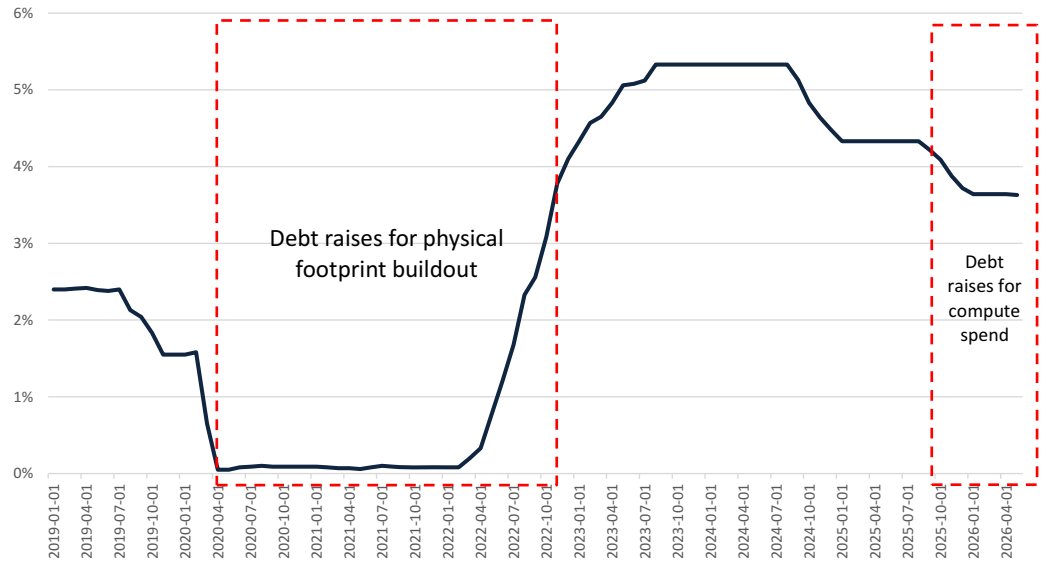
Source: Company data

Exhibit 14: Debt Raised from 2025-Present

Debt Raised 2025-Present			
Debt	**Raised**	**Maturities**	**Interest Rate**
2025 Notes Issuance	$15b	2028-2065	3.99-5.62%
2026 Notes Issuance	$37b	2028-2076	3.97-6.12%
2026 Notes Issuance (Euro-denominated)	€14.5b	2028-2064	2.59-4.88%
2026 DDTL Credit Agreement	$17.5b	--	--
2026 Notes Issuance (Canadian dollar-denominated)	C$14b	2029-2056	3.4-5%

Source: Company data

Exhibit 15: Debt has become more expensive since Amazon's last round of capital raises
Fed Funds Rate



Source: Data compiled by Goldman Sachs Global Investment Research, US Federal Reserve Bank

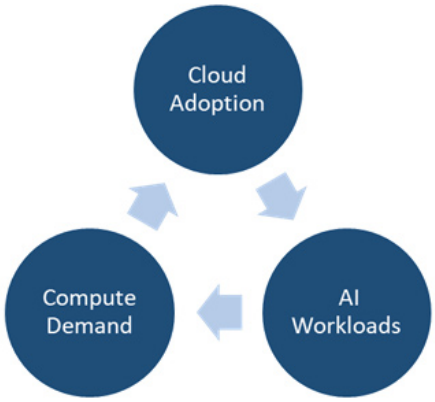
Trainium: A Focus on Custom Silicon

Historically, Trainium faced skepticism due to software friction (the "CUDA moat") and early performance/latency bottlenecks, however, with the launch of Trainium3, the maturation of the Neuron SDK, and Amazon's pivot toward becoming a merchant silicon vendor have fundamentally altered this trajectory. Amazon's recent shareholder letter, noted Trainium 2 as "largely sold out" and Trainium 3 is "nearly fully subscribed", with the annual runrate for chips the business at $20b (and $50b if AMZN sold to 3Ps).

While we don't expect Trainium to displace demand for NVDA GPUs (esp. for high-demand training workloads), we believe the current environment (supply-constrained & with customers increasingly focused on AI inference costs) is supportive of growing demands for Trainium workloads and provides a strategic advantage that we believe will be a forward margin expansion lever. The improved positioning is fueled by materially better price-per-performance economics, where Amazon has called out Trainium 3 as a +40% improvement from Trainium 2, which had a 30-40% improvement from comparable GPUs. This efficiency has become increasingly important as model training costs scale to billions (and as higher utilization drives lower

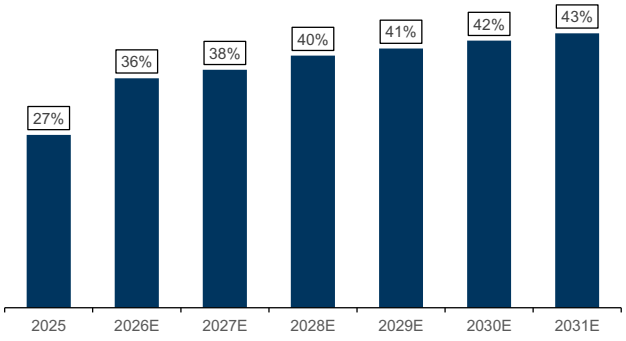
cost per compute). Additionally, AWS's existing cloud business serves as a natural flywheel for AI workloads, given that customer data is already resident within the AWS ecosystem, and AI efforts expand the need for cloud transition. Although Amazon hasn't outlined explicitly, we believe custom scilicon will be increasingly margin expansive for AWS, especially as they bring Trainium 3 online in the back half of the year.

Exhibit 16: AI Workloads Serves As a Flywheel for Cloud Adoption



Source: Goldman Sachs Global Investment Research

Exhibit 17: We See Custom Silicon to be an Incremental EBIT Tailwind
AWS Incremental Margins



Source: Company data, Goldman Sachs Global Investment Research

EC2: Potential Price Increases

To evaluate the potential revenue upside for AWS, **we illustrate the incremental top-line opportunity under a 20% price increase for EC2 in 2H26, and estimate a net revenue tailwind of approximately $2 billion to $4 billion** (Exhibit 18). Although Amazon doesn't break out EC2 revenue, we estimate EC2 comprises a majority (~50+%) of AWS's topline, which means any pricing change would have a material impact to top and bottom lines. We highlight that EC2 is sold under 3 primary pricing models (1) **on demand,** which is a pay as you go model that is the highest price and highest margin, but has unpredictable utilization; (2) **savings plan**, which are multi-year contractual commitments and can be up to 72% less than on demand prices; and (3) **spot instances**, which allows usage of spare capacity (otherwise idle servers) for up to 90% less than on demand prices. Given the multi-year contractual element, there would be a structural timing lag in compute pricing changes as they flow through the PnL (as contracts aren't exposed to immediate pricing changes unlike on demand and spot). We provide a wide range of incremental revenue estimates below (flexing the portion of EC2 impacted by price changes as well as an optimization impact).

Exhibit 18: Incremental Revenue from a Potential 20% EC2 Price Increase
$m

Incremental Revenue from EC2 Price Increase - 3Q26						
		% of EC2 Impacted by Increase				
		20%	35%	50%	65%	80%
Optimization Offset (Churn)	2%	$ 784	$ 1,372	$ 1,961	$ 2,549	$ 3,137
	4%	$ 677	$ 1,185	$ 1,693	$ 2,201	$ 2,709
	6%	$ 570	$ 998	$ 1,426	$ 1,854	$ 2,281
	8%	$ 463	$ 811	$ 1,159	$ 1,506	$ 1,854
	10%	$ 356	$ 624	$ 891	$ 1,159	$ 1,426
	12%	$ 250	$ 437	$ 624	$ 811	$ 998

Incremental Revenue from EC2 Price Increase - 4Q26						
		% of EC2 Impacted by Increase				
		30%	45%	60%	75%	90%
Optimization Offset (Churn)	2%	$ 1,277	$ 1,916	$ 2,555	$ 3,194	$ 3,832
	4%	$ 1,103	$ 1,655	$ 2,206	$ 2,758	$ 3,310
	6%	$ 929	$ 1,394	$ 1,858	$ 2,323	$ 2,787
	8%	$ 755	$ 1,132	$ 1,510	$ 1,887	$ 2,265
	10%	$ 581	$ 871	$ 1,161	$ 1,452	$ 1,742
	12%	$ 406	$ 610	$ 813	$ 1,016	$ 1,219

Incremental Revenue from EC2 Price Increase - 2H26						
		% of EC2 Impacted by Increase				
		25%	40%	55%	70%	85%
Optimization Offset (Churn)	2%	$ 2,062	$ 3,289	$ 4,515	$ 5,742	$ 6,969
	4%	$ 1,781	$ 2,840	$ 3,900	$ 4,959	$ 6,019
	6%	$ 1,499	$ 2,392	$ 3,284	$ 4,176	$ 5,068
	8%	$ 1,218	$ 1,943	$ 2,668	$ 3,393	$ 4,118
	10%	$ 937	$ 1,495	$ 2,052	$ 2,610	$ 3,168
	12%	$ 656	$ 1,046	$ 1,437	$ 1,827	$ 2,217

Assuming EC2 comprises ~50% of AWS revenue

Source: Goldman Sachs Global Investment Research

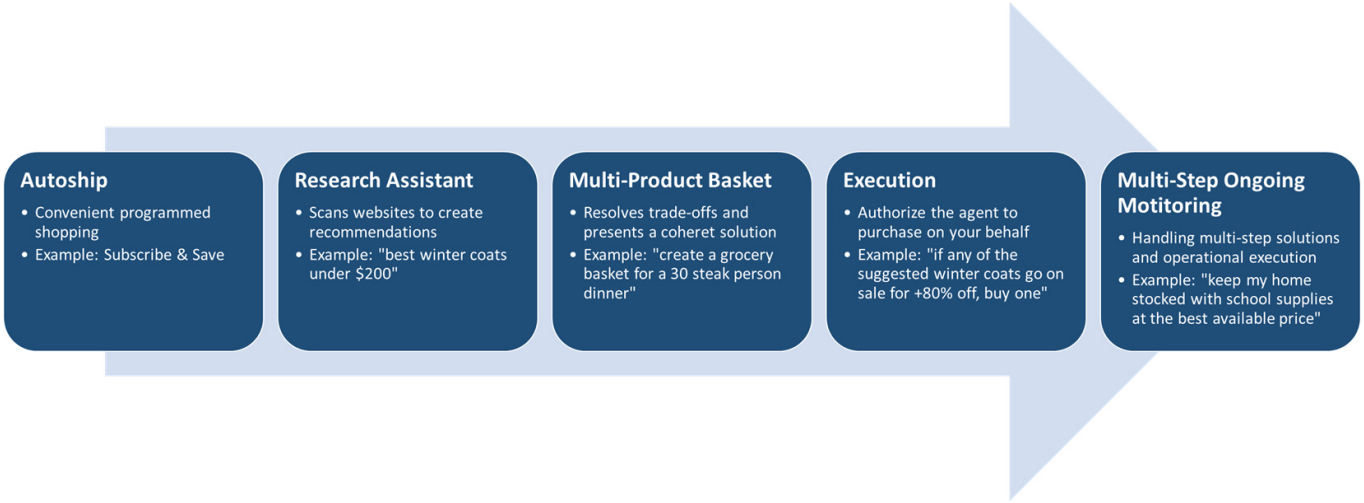
Amazon recently announced **the evolution of Ruus to Alexaor Shopping which represents a step in Amazon's transition toward agentic, AI-native commerce**, serving as a unified conversational assistant that streamlines product discovery, research, and purchasing across the Amazon ecosystem. Rather than operating in a siloed chat window, Alexaor Shopping is integrated directly into Amazon's main search bar, mobile app, desktop site, and Echo Show devices, allowing user preferences and shopping context to flow across platforms. The assistant offers a suite ofeatures, including conversational product research, side-by-side comparisons, price history, and personalized shopping guides. Management has noted Ruus (now Alexaor Shopping) contributed $12b in annualized incremental sales and helped assist 300m customers with making a purchase. Consumer adoption of on-platform AI assistants continues to increase, with Amazon recently announcing they will start selling their technology behind its AI shopping assistant to other retailers.

Central to Amazon's agentic shopping strategy is auto-buy. Launched in 2025, auto-buy is aeature that allows you to set a target priceor an item and will automatically be purchased when the price drops to or below the target price. With the integration of Alexa+ and Ruus, Amazon announced a number of other complementary agentic shoppingeatures such as expanded price history to 1 year, auto-buy triggers from an Echo device, and scheduled actions or additions to cart. We outline a number of on-platform recent AI enhancement below.

Exhibit 19: Recently Lunched AI Shopping Features

We broadly see the "execution" phase as the most critical unlock to broader adoption of agentic AI shopping. Consumer trust in delegating "execution" (i.e., purchasing) to AI agents lends itself low researched, every-day, repeat purchase items (i.e., everyday essentials). Amazon's push into auto-buy was a critical step to get the consumer readyor automated buying and also creates a recurring and sticky revenue stream (similar to Chewy's Autoship). We will continue to monitor the progressor Alexa or Shopping and look towardsuture mgmt commentaryor perormance signals.

Exhibit 20: Execution is the Biggest Behavioral Pivot in Agentic Shopping



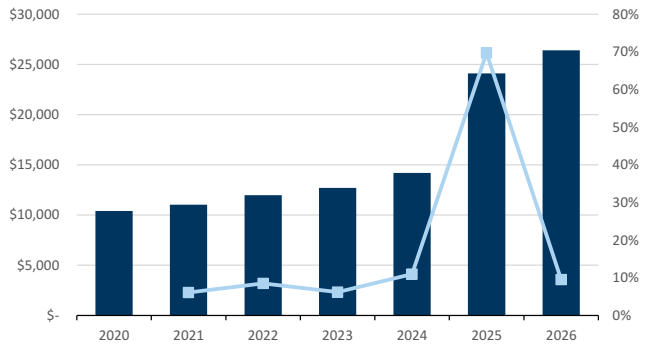
Source: Goldman Sachs Global Investment Research

Amazon Prime Day

According to Adobe, **2026 Prime Day generated $26.4b in revenue for Amazon, which is up ~9.5%** compared to Adobe's 2025 estimate of $24.1b. We continue to see the consumer be choiceful in spend and sensitive to discounts, as higher gas prices have weighed on sentiment and discretionary spending. Given the inflationary environment the consumer has been trading down and using Prime Day for planned purchases, rather than impulse buys; according to Numerator, ~42% of the average orders for Prime Day were under $20, with the top selling items skewing more towards low cost repeatable purchases (i.e., protein shakes, drink supplements, cat treats, etc.) with price per item averaging ~$23. As Amazon has leaned into everyday essentials and position Prime to be an extension of the grocery store experience, we have seen growth in Prime Day sales, but highlight a more cautious consumer. We would also call out several factors that made this Prime Day unique:

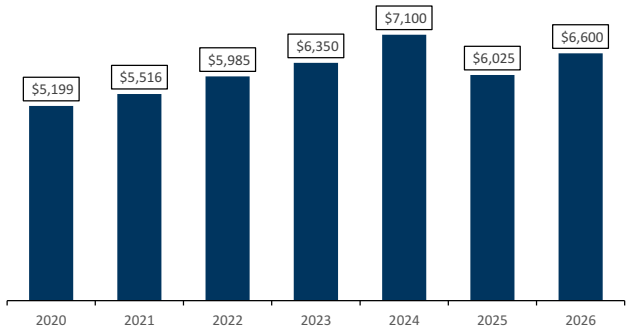
- **Timing**: Amazon Prime Day 2026 was between June 23-26, which occurred earlier in the calendar compared to historical dates which placed Prime Day in July (Exhibit 25), and is their earliest window since 2021. Prime Day is expected to occur in Q3 2026 in Australia, Brazil, India, and Japan. Additionally, similar to years prior, US Prime Day coincides with Walmart's and Target's major summer sales events, but is well positioned to capture the largest amount of share with eMarketer estimating that Amazon accounted for 60% of all ecommerce sales during the Prime Day window.
- **Duration**: Last year, Amazon extended Prime day to be 4 days long (compared to the historical 48-hour it had done in years past) and will continue the 96-hour time frame this year.
- **Agentic**: The widespread integration of AI on Amazon's platform (i.e., Alexa for Shopping), as well as consumer's broader AI/LLM adoption this year vs last, makes for a shopping event that is more AI native (influencing product search and discovery).

Exhibit 21: Sales Accelerated in 2025 From the 4-Day Event (From Prior 2)
US Prime Day Sales, $m



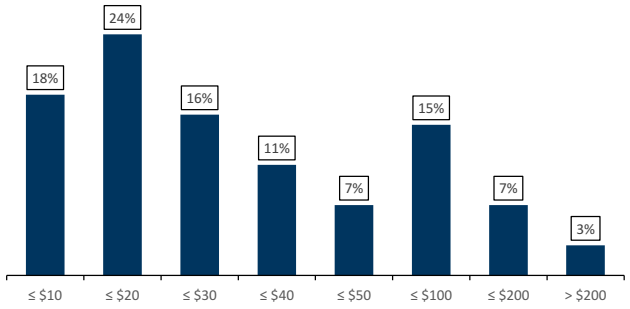
Source: Adobe, Goldman Sachs Global Investment Research, Data compiled by Source: Goldman Sachs Global Investment Research

Exhibit 22: Prime Day Revenue per Day
$m



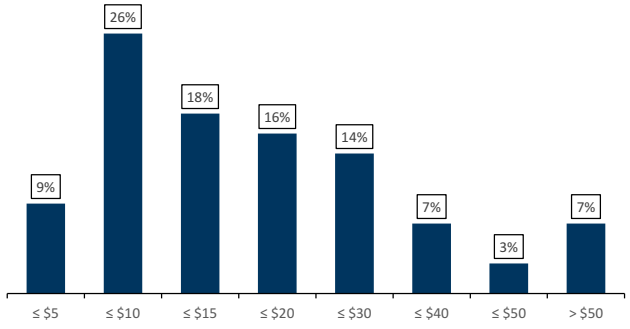
Source: Adobe, Data compiled by Goldman Sachs Global Investment Research

Exhibit 23: 42% of Prime Volume was Attributed to Orders under $20
% of Orders by Size



Source: Numerator, Data compiled by Goldman Sachs Global Investment Research

Exhibit 24: 53% of Items Sold were Priced Under $15
% of Items by Price



Source: Numerator, Data compiled by Goldman Sachs Global Investment Research

Exhibit 25: US Summer Sales Events Calendar

	2023	Amazon	Walmart	Target
Q2	22-Jun			
	23-Jun			
	24-Jun			
	25-Jun			
	26-Jun			
	27-Jun			
	28-Jun			
	29-Jun			
	30-Jun			
Q3	1-Jul			
	2-Jul			
	3-Jul			
	4-Jul			
	5-Jul			
	6-Jul			
	7-Jul			
	8-Jul			
	9-Jul			
	10-Jul			
	11-Jul	Amazon Prime Day	Walmart+ Week	Target "Circle Day Deals"
	12-Jul			
	13-Jul			
	14-Jul			
	15-Jul			
	16-Jul			
	17-Jul			

	2024	Amazon	Walmart	Target
Q2	22-Jun			
	23-Jun			
	24-Jun			
	25-Jun			
	26-Jun			
	27-Jun			
	28-Jun			
	29-Jun			
	30-Jun			
Q3	1-Jul			
	2-Jul			
	3-Jul			
	4-Jul			
	5-Jul			
	6-Jul			
	7-Jul			
	8-Jul			
	9-Jul			
	10-Jul		Walmart Deals	Target "Circle Day Deals"
	11-Jul			
	12-Jul			
	13-Jul			
	14-Jul			
	15-Jul			
	16-Jul	Amazon Prime Day		
	17-Jul			

	2025	Amazon	Walmart	Target
Q2	22-Jun			
	23-Jun			
	24-Jun			
	25-Jun			
	26-Jun			
	27-Jun			
	28-Jun			
	29-Jun			
	30-Jun			
Q3	1-Jul			
	2-Jul			
	3-Jul			
	4-Jul			
	5-Jul			
	6-Jul			
	7-Jul			
	8-Jul			
	9-Jul	Amazon Prime Day	Walmart Deals	Target "Circle Day Deals"
	10-Jul			
	11-Jul			
	12-Jul			
	13-Jul			
	14-Jul			
	15-Jul			
	16-Jul			
	17-Jul			

	2026	Amazon	Walmart	Target
Q2	22-Jun			
	23-Jun			
	24-Jun	Amazon Prime Day	Walmart Deals	Target "Circle Day Deals"
	25-Jun			
	26-Jun			
	27-Jun			
	28-Jun			
	29-Jun			
	30-Jun			
Q3	1-Jul			
	2-Jul			
	3-Jul			
	4-Jul			
	5-Jul			
	6-Jul			
	7-Jul			
	8-Jul			
	9-Jul			
	10-Jul			
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	15-Jul			
	16-Jul			
	17-Jul			

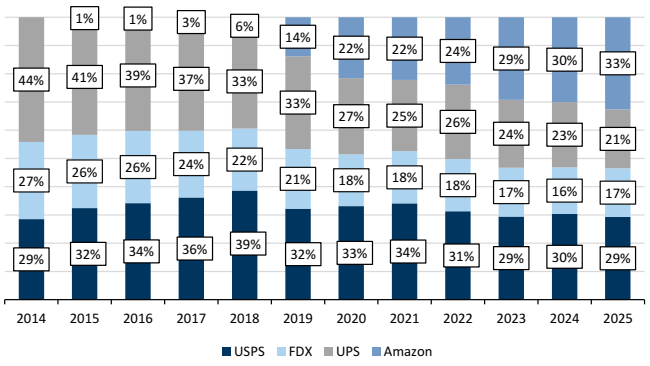
Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Amazon Supply Chain Services (ASCS)

Amazon recently launched Amazon Supply Chain Services (ASCS), whereby Amazon allows 3P businesses (not currently selling on Amazon) to gain access to its fulfillment network. Previously, AMZN's supply chain services were open to sellers on their platform, largely an evolution of their Fulfillment by Amazon (FBA). We see Amazon opening their network to 3P, as supportive of Amazon's logistics utilization by filling partially empty backhauls and warehouse spaces with non-Amazon volume to optimize capacity. For existing non-Amazon brands, the decision to migrate from their current logistics provider to Amazon involves complex tradeoffs and often are sticky relationships that would require compelling economics to make the switch. Additionally, during peak seasons (i.e., holiday, prime days) Amazon will need to balance their own growing customer demand with the 3P business.

Amazon has a fleet of 80,000+ trailers, 24,000+ intermodal containers, and 100+ aircraft capacity with carrier partners. Per our transportation team (link), North American logistics is a $2.6 trillion market with trucking at $994 billion, rail at $97 billion, and air $101 billion. According to Pitney Bowes, Amazon's share of parcel volume has increased dramatically since the build out of their logistics capabilities in 2021/2022. With the caveat that it remains early days with regard to this initiative (and broader implications for market share, competition etc. remain unknown) **we view this as more of a way for Amazon to increase utilization (i.e. limiting existing empty hauls) vs. a large scale revenue driver over the medium term**.

Exhibit 26: Amazon Has Become a Leader in US Shipping Volumes
Parcel Market Share by Volume

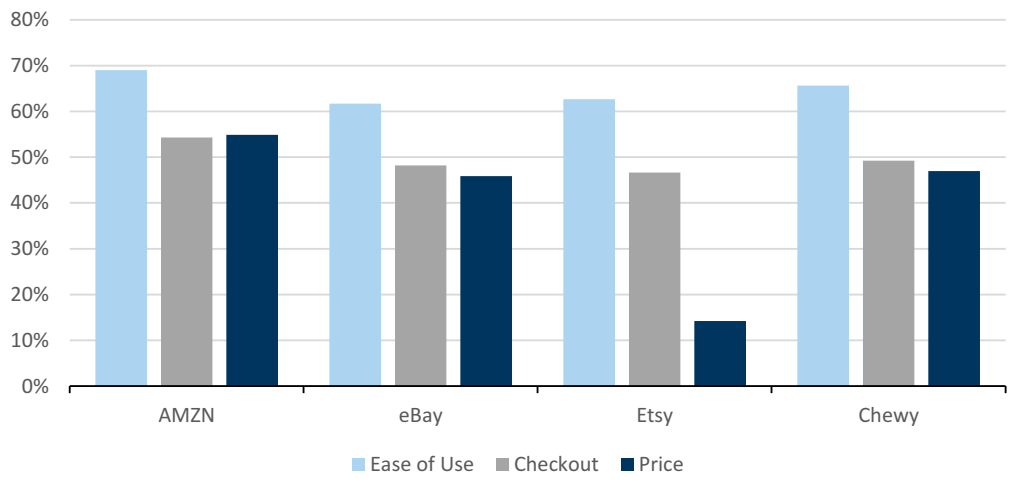


Source: Company data, Pitney Bowes Shipping Index

High-Frequency Data Heading Into Q2 Earnings

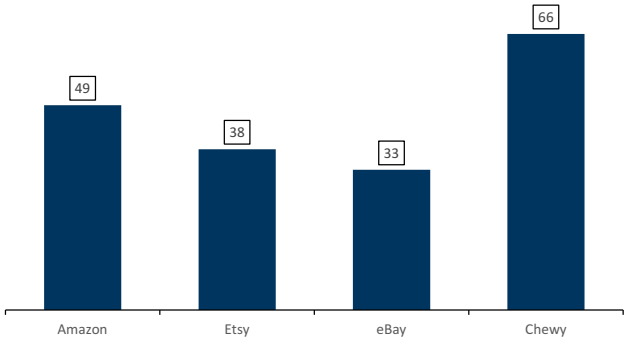
To provide a quarterly health check of Amazon's key performance indicators (user growth, monetization, engagement), we leverage Similarweb data to track web traffic and engagement in the US and HundredX data to monitor consumer perceptions and gathering consumer feedback. We believe these data points are useful for flagging inflection points in Amazon's positioning within the consumer landscape.

Exhibit 27: AMZN Ranks Higher vs. Peers on: Ease of Use, Checkout and Price
May 2026 Data



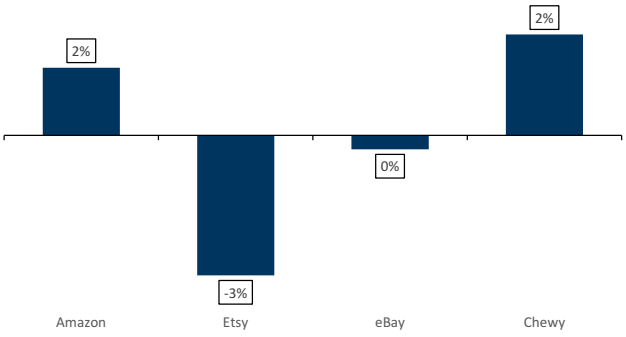
Source: HundredX, Data compiled by Goldman Sachs Global Investment Research

Exhibit 28: Amazon and Chewy screen most positively from an NPS....
Net Promoter Score, T3M Average



Source: HundredX, Data compiled by Goldman Sachs Global Investment Research

Exhibit 29: ....and NPI perspective compared to peers.
Net Purchase Intent, T3M Average



Source: HundredX, Data compiled by Goldman Sachs Global Investment Research

Definitions:

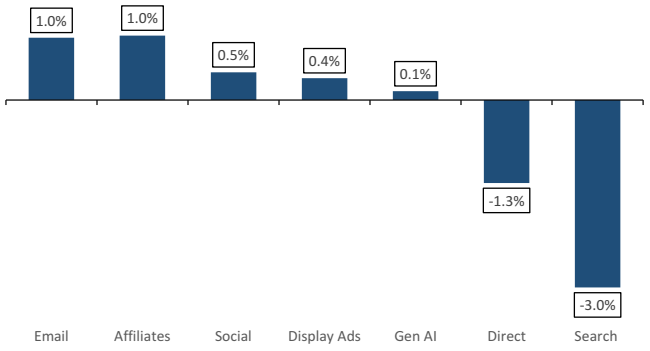
Net Promoter Score (NPS) - Widely used measurement that asks respondents, "Would you recommend to a friend?" on a scale of 0-10. The responses allow individual customers to be sorted into promoters, passives, and detractors as well as the computation of a company level NPS through aggregation of respondents. Promoters: respondents to the NPS question who choose 9 or 10. Passives: respondents to the NPS question who choose 7 or 8. Detractors: respondents to the NPS question who choose 0-6. NPS standardized measure for 'Overall Recommendations' is on a scale of -100 to 100.

Net Purchase Intent (NPI) - Metric indicates consumer(s)'s future spend, purchase or usage intent for an industry or a company/brand. In some cases, can be known as "Future Customer Loyalty." A positive number indicates industry or company/brand growth, a negative number indicates industry or

company/brand decline. If a company/brand has higher (i.e, more positive) PI vs industry, this can indicate market share gain (and vice versa). Calculation represents percent of respondents who expect to use more minus percent of respondents who expect to use less over the next 12 months.

We leverage Similarweb to understand web traffic data and engagement and note email, affiliates, social, display ads, and AI continue to be a growing traffic source at the expense of search (compared to 2 years before).

Exhibit 30: Amazon Gains Traffic Share from Email, Affiliates, at the Expense of Search
Source Traffic Difference Average 2026 vs 2024



Source: SimilarWeb, Data compiled by Goldman Sachs Global Investment Research

Estimates Changes, Valuation & Key Risks:

We make minimal changes to our forward revenue estimates and expect AWS revenue growth of +32.0% YoY in Q2'26 and +33% YoY for FY26. We slightly lower our forward consolidated EBIT estimates to better reflect elevated D&A from increased capex. This lowered EBIT outlook is driven by all three of AMZN's segments but is more heavily skewed towards North America and International.

Exhibit 31: AMZN – Summary of Estimates Changes
$mm, except per-share values

	Q2'26			2026			2027			2028		
	Old	New	% Change	Old	New	% Change	Old	New	% Change	Old	New	% Change
Total Revenue	$ 197,611	$ 197,611	0%	$ 827,600	$ 827,600	0%	$ 946,631	$ 952,884	1%	$ 1,063,341	$ 1,081,038	2%
Online Stores	$ 70,093	$ 70,093	0%	$ 296,618	$ 296,618	0%	$ 317,381	$ 317,381	0%	$ 338,963	$ 338,963	0%
Physical Stores	$ 5,875	$ 5,875	0%	$ 23,664	$ 23,664	0%	$ 24,704	$ 24,704	0%	$ 25,665	$ 25,665	0%
Retail Third-Party Seller Services	$ 46,400	$ 46,400	0%	$ 191,329	$ 191,329	0%	$ 212,789	$ 212,789	0%	$ 235,770	$ 235,770	0%
Advertising Services	$ 18,833	$ 18,833	0%	$ 82,208	$ 82,208	0%	$ 96,854	$ 96,854	0%	$ 112,212	$ 112,212	0%
Retail Subscription Services	$ 14,039	$ 14,039	0%	$ 55,858	$ 55,858	0%	$ 62,346	$ 62,346	0%	$ 68,991	$ 68,991	0%
AWS	$ 40,752	$ 40,752	0%	$ 171,285	$ 171,285	0%	$ 225,588	$ 231,841	3%	$ 274,422	$ 292,119	6%
North America Sales	$ 112,076	$ 112,076	0%	$ 470,779	$ 470,779	0%	$ 518,832	$ 518,832	0%	$ 569,323	$ 569,323	0%
International Sales	$ 44,783	$ 44,783	0%	$ 185,536	$ 185,536	0%	$ 202,211	$ 202,211	0%	$ 219,596	$ 219,596	0%
GAAP Gross Profit	$ 102,884	$ 102,884	0%	$ 425,131	$ 425,131	0%	$ 498,215	$ 500,558	0%	$ 570,900	$ 578,227	1%
GAAP Operating Income	$ 23,826	$ 23,826	0%	$ 109,002	$ 106,711	-2%	$ 146,127	$ 140,073	-4%	$ 183,469	$ 179,773	-2%
Operating Margin	12.1%	12.1%	0bps	13.2%	12.9%	-28bps	15.4%	14.7%	-74bps	17.3%	16.6%	-62bps
North America OI	$ 8,966	$ 8,966	0%	$ 41,891	$ 40,394	-4%	$ 49,666	$ 47,787	-4%	$ 61,614	$ 59,524	-3%
International OI	$ 1,004	$ 1,004	0%	$ 5,857	$ 5,305	-9%	$ 15,213	$ 8,543	-44%	$ 20,966	$ 12,542	-40%
AWS OI	$ 13,856	$ 13,856	0%	$ 61,254	$ 61,012	0%	$ 81,248	$ 83,743	3%	$ 100,888	$ 107,707	7%
GAAP EPS	$ 1.76	$ 1.76	0%	$ 9.02	$ 8.85	-2%	$ 10.58	$ 10.15	-4%	$ 13.11	$ 12.84	-2%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 32: AMZN - GS Estimates vs. Consensus (Visible Alpha)
$mm, except per-share values

	Q2'26				2026			2027		
	GS Est	Cons Est	% GS vs. Cons	Guidance	GS Est	Cons Est	% GS vs. Cons	GS Est	Cons Est	% GS vs. Cons
Total Revenue	$ 197,611	$ 196,399	1%	*$194-199bn*	$ 827,600	$ 824,449	0%	$ 952,884	$ 933,480	2%
Online Stores	$ 70,093	$ 69,198	1%		$ 296,618	$ 294,899	1%	$ 317,381	$ 316,692	0%
Physical Stores	$ 5,875	$ 5,876	0%		$ 23,664	$ 23,652	0%	$ 24,704	$ 24,693	0%
Third-Party Seller Services	$ 46,400	$ 46,090	1%		$ 191,329	$ 193,136	-1%	$ 212,789	$ 212,503	0%
Advertising Services	$ 18,833	$ 19,275	-2%		$ 82,208	$ 82,908	-1%	$ 96,854	$ 96,932	0%
Subscription Services	$ 14,039	$ 13,794	2%		$ 55,858	$ 55,697	0%	$ 62,346	$ 61,203	2%
AWS	$ 40,752	$ 40,404	1%		$ 171,285	$ 167,747	2%	$ 231,841	$ 217,186	7%
North America Sales	$ 112,076	$ 113,730	-1%		$ 470,779	$ 473,189	-1%	$ 518,832	$ 515,741	1%
International Sales	$ 44,783	$ 42,635	5%		$ 185,536	$ 184,052	1%	$ 202,211	$ 203,030	0%
GAAP Gross Profit	$ 102,884	$ 102,689	0%		$ 425,131	$ 424,158	0%	$ 500,558	$ 495,294	1%
GAAP Operating Income	$ 23,826	$ 23,632	1%	*$20-24bn*	$ 106,711	$ 104,760	2%	$ 140,073	$ 134,362	4%
Operating Margin	12.1%	12.0%	2bps		12.9%	12.7%	19bps	14.7%	14.4%	31bps
North America OI	$ 8,966	$ 8,532	5%		$ 40,394	$ 38,951	4%	$ 47,787	$ 47,613	0%
International OI	$ 1,004	$ 1,799	-44%		$ 5,305	$ 7,410	-28%	$ 8,543	$ 11,290	-24%
AWS OI	$ 13,856	$ 13,612	2%		$ 61,012	$ 59,444	3%	$ 83,743	$ 77,247	8%
GAAP EPS	$ 1.76	$ 1.84	-4%		$ 8.85	$ 8.95	-1%	$ 10.15	$ 10.21	-1%

Source: Company data, Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

Our 12m PT of $335 (from $325 prior) is based on SOTP of EV/EBIT applied to North America and AWS segments, and EV/Sales applied to the International segment, all based on NTM+1 estimates. This is from our prior valuation methodology based on a 50/50 split between multiples and SOTP. We feel as though the multiples-based approach (applying a single EV/GAAP EBITDA and EV/FCF-SBC multiple on consolidated estimates) is no longer relevant given a) the company's separate businesses (which are increasingly diverging in terms of revenue and margin performance) and b) the company's significant investment in AI-related capex (& resulting D&A expense) making a combined EBITDA and FCF-based approach no longer relevant. As such, we believe using GAAP EBIT (inclusive of D&A expense) on each segment (North America, International and AWS) both more accurately reflects the operating performance of the company and is better aligned with how investors value AMZN.

Specifically, our current methodology reflects:

- 16x EV/GAAP EBIT (unchanged) or 0.63x EV/GAAP EBIT-to-growth (from 0.57x prior) applied to the North America segment.
- 1.3x EV/Sales (unchanged) or 0.12x EV/Sales-to-growth (unchanged) applied to the International segment.
- 29x EV/GAAP EBIT (from 28.5x prior) or 0.80x EV/GAAP EBIT-to-growth (from 0.85x prior) applied to the AWS segment. We raise our absolute multiple to reflect greater confidence in AWS segment growth/profitability going forward and to maintain our prior ~0.80-0.85x multiple-to-growth.



Exhibit 33: Amazon Valuation
$mm, except per share data

Valuation Methdology (SOTP)	Downside	NTM+1 Base	Upside
North America Segment:			
Revenues	$ 519,866	$ 532,076	$ 539,119
% CAGR	*9.0%*	*10.3%*	*11.0%*
GAAP EBIT	$ 45,488	$ 50,535	$ 53,912
% margin	*8.8%*	*9.5%*	*10.0%*
% CAGR	*19.1%*	*25.6%*	*29.7%*
EV / GAAP EBIT	12.0x	16.0x	20.0x
EV / GAAP EBIT-to-Growth	0.63x	0.63x	0.67x
Enterprise Value	**$ 545,860**	**$ 808,560**	**$ 1,078,238**
International Segment:			
Revenues	$ 203,486	$ 206,374	$ 209,073
% CAGR	*10.0%*	*10.8%*	*11.5%*
EV / Sales	1.0x	1.3x	1.5x
EV / Sales-to-Growth	0.10x	0.12x	0.13x
Enterprise Value	**$ 203,486**	**$ 257,967**	**$ 313,610**
AWS Segment:			
Revenues	$ 231,606	$ 245,424	$ 249,765
% CAGR	*30.0%*	*33.8%*	*35.0%*
GAAP EBIT	$ 69,482	$ 89,263	$ 94,911
% margin	*30.0%*	*36.4%*	*38.0%*
% CAGR	*20.0%*	*36.1%*	*40.3%*
EV / GAAP EBIT	15.0x	29.0x	33.0x
EV / GAAP EBIT-to-Growth	0.75x	0.80x	0.82x
Enterprise Value	**$ 1,042,227**	**$ 2,588,617**	**$ 3,132,047**
Total Enterprise Value	**$ 1,791,572**	**$ 3,655,143**	**$ 4,523,895**
Net Debt (Cash)	$ (14,508)	$ (14,508)	$ (14,508)
Market Cap ($m)	$ 1,806,081	$ 3,669,652	$ 4,538,403
Diluted Shares	10,961	10,961	10,961
12-Month Price Target	**$ 165**	**$ 335**	**$ 415**
% upside/downside	*-32.0%*	*38.0%*	*71.0%*

Source: Goldman Sachs Global Investment Research

Key risks include: (-) Any impact to eCommerce or Cloud growth from competition; lack of success in scaling high margin businesses including Advertising, Cloud, third-party selling and the subscription business; investments across any array of initiatives creating a headwind to gross or operating margin; any product or platform changes necessary to comply with changes to the global regulatory environment; exposure to the volatility caused by the global macroeconomic environment and investor risk appetite for growth stocks.

Disclosure Appendix

Reg AC

We, Eric Sheridan, Alex Vegliante, CFA and Sarah Boulos, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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Contributing Authors: Eric Sheridan Goldman Sachs & Co. LLC, Alex Vegliante, CFA Goldman Sachs & Co. LLC, Sarah Boulos Goldman Sachs & Co. LLC.

Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.

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Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

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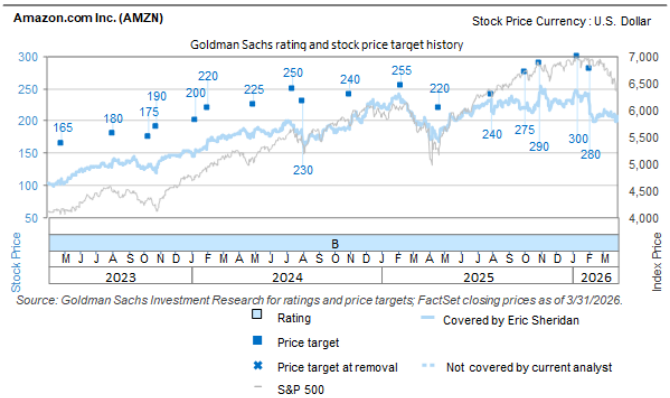
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Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	60%	45%

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Price target and rating history chart(s)



The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.

Target price history table(s)

Amazon.com Inc. (AMZN)

Date of report	Target price ($)	Closing price ($)
30-Apr-26	325.00	265.06
13-Apr-26	275.00	239.89
06-Feb-26	280.00	210.32
13-Jan-26	300.00	242.60
31-Oct-25	290.00	244.22
03-Oct-25	275.00	219.51
01-Aug-25	240.00	214.75
21-Apr-25	220.00	167.32
07-Feb-25	255.00	229.15
01-Nov-24	240.00	197.93
02-Aug-24	230.00	167.90
15-Jul-24	250.00	192.72
01-May-24	225.00	179.00
02-Feb-24	220.00	171.81
10-Jan-24	200.00	153.73
27-Oct-23	190.00	127.74
12-Oct-23	175.00	132.33
04-Aug-23	180.00	139.57

Price targets shown in table(s) are unadjusted for corporate actions.

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