on 30-Oct-2026

BERNSTEIN
SOCIETE GENERALE GROUP

30 October 2026



Mark Shmulik
+1 917 344 8508
mark.shmulik@bernsteinsg.com



Deeksha Pandey
+1 917 344 8447
deeksha.pandey@bernsteinsg.com



Wenhuan Chang
+1 917 344 8546
wenhuan.chang@bernsteinsg.com

U.S. Internet

Amazon.Com Inc

Rating

Outperform

Price Target

AMZN **320.00 USD**

Amazon 3Q26: Measure the chalk mark

It's easy to be disappointed by Amazon's print. The expectation bar pushed so high that even cold water from peer prints didn't lower the bar enough. But deliver what exactly? Ad growth looked weak though the 2-qtr growth with Prime Day was fine. And 39% Y/Y growth with 39% margins for AWS wasn't the 40/40 dream, but cloud accelerated AND management offered 40%+ growth through 2028. Value comes from the outcomes not expectations. It's knowing where to tap not how hard, and Amazon knows.

AWS growth misses 40/40, but misses what exactly? AWS accelerated from +37% Y/Y last quarter to 39% Y/Y this quarter, and margins held in at ~39%. It's not 40/40 and questions remain around 4Q, but management completely removed some uncertainty offering an unprecedented 40%+ AWS revenue growth in 2027/28. While AI margins are dilutive and likely to be more pronounced as Trainium/Graviton sales off-AWS kick in late next year, backlog diversified adding ~$80B Q/Q — isn't this good?

Retail weighed down by Advertising, but double-digit margins matter. Advertising growth decelerating meaningfully to 12% Y/Y down from mid-20s growth last quarter. Prime Day timing, lapping the NBA rights, exiting Google PLAs, and Europe regulation all weighed on numbers, though re-acceleration to the high teens in 4Q expected.

Guide leaves much to the imagination. Revenue guidance of $240-247B wrapped consensus, while the mid-point of 4Q OI of $28.5-33.5 was a touch below consensus, though capitalizing Leo has moved to 1Q27. Based on the trajectory of retail and advertising implies little room for further AWS acceleration against tougher comps, but perhaps a reset of expectations is exactly what the company needs right now.

Investment Implications

What are we even doing down here? **Remain OP, PT $320.**

Close Date	29 Oct 2026
AMZN Close Price (USD)	243.79
Price Target (USD)	320.00
Upside/(Downside)	31%
52-Week Range	287.20/196.00
SPX	7,720.39
FYE	Dec
Div Yield	NA
Market Cap (USD) (B)	2,629.60
EV (USD) (B)	2,748.60

Performance	YTD	1M	6M	12M
Absolute (%)	5.6	(1.2)	(7.3)	5.9
SPX (%)	12.8	0.6	8.2	12.0
Relative (%)	(7.2)	(1.8)	(15.5)	(6.2)

Source: Bloomberg, Bernstein estimates and analysis.

Price Performance, 1YR



Reported EPS	F25A	F26E	F27E
AMZN (USD)	7.17	**12.92**	**12.95**
OLD	--	13.08	12.49

Financials	F25A	F26E	F27E	CAGR
Revenues (M)	716,924	830,997	966,800	--
EBITDA (M)	145,731	199,845	289,870	--
EBIT (M)	79,975	112,801	173,478	--
EBITDA Margin (%)	20.3	24.0	30.0	--

Valuation Metrics	F25A	F26E	F27E
Reported P/E (x)	34.0	18.9	18.8
EV/Sales (x)	3.8	3.3	2.8
EV/EBITDA (x)	18.9	13.8	9.5
EV/EBIT (x)	34.4	24.4	15.8
Adjusted P/E (x)	34.0	18.9	18.8
PEG Adjusted (x)	1.1	0.2	90.9
EV/FCF (x)	245.5	(45.4)	(116.1)

*Values shown in billions;Source: Bloomberg, Bernstein estimates and analysis.

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.
www.bernsteinresearch.com

First Published: 30 Oct 2026 06:37 UTC Completion Date: 30 Oct 2026 06:37 UTC

on 30-Oct-2026

DETAILS

Amazon reported 3Q26 results after the close yesterday.

PM SUMMARY

AWS didn't do 40/40, it did 39/39. Management took the unprecedented step of offering a 2-year growth outlook of 40% through 2028 for AWS, while the backlog added ~$80B sequentially showing Amazon's ability to diversify the AI customer base. Advertising missed thanks to a lot of wonky things and tough comps, but it's got nothing to do with agentic and expected to re-accelerate meaningfully here in 4Q. Retail was fine though management finally offered support of the double-digit margins ex-Science fair projects that business generates and only getting more efficient as cost-to-serve keeps coming down. Objectively looking at the financials and ignoring the narrative and the noise, we're struggling to articulate a reason why the stock should trade at a low-to-mid teens '28 EPS multiple. Yes CapEx is coming up, but the ROIC is there. Yes, AWS margins should compress as the revenue mix shifts more towards lower margin AI cloud workloads, but we're still talking about unprecedented revenue dollar growth levels + with steady state margins closer to the mid 30s vs the mid-to-high 20s.

That's it.

We can't answer every debate, and understand the scrutiny around ROIC, overbuilding, concentration risk, and agentic fears. But the numbers tell a better story than the ones we discuss - a business delivering on most objectives, building for the future, and executing where it matters. It doesn't need to be wrapped in the pretty story, it just needs to keep putting numbers on the board. You want a story? Need a story? Well we're going into Re-Invent - Amazon's annual AWS conference. History doesn't repeat, but it does rhyme, and you've seen what both Google and Meta's stocks did around their big developer events. With confirmation around getting into selling custom-ASICs compute off of AWS coming late 2027 and all the power in the world in agentic commerce negotiations - it's not far fetched to see some big announcements and stories coming real soon.

So what to do with the stock here? The pitch is unchanged. All the Internet stocks have been hammered this earnings season, so we'll reframe the question - which do you want to own with Meta, Google, and Amazon all available at similar price points on forward earnings? **Amazon has to be in that consideration.**

We remain Outperform and maintain our price target at $320/Share. We value Amazon using a 50/50 combination of SOTP method (which values the Retail segment at a 2027E EV/Sales multiple of 3x (unchanged) and the AWS segment at a 2027E EV/EBIT multiple of 25x (unchanged)), and a DCF using a WACC of 9% and a terminal growth rate of 3.5% (WACC and terminal growth rate remain unchanged; slight increase to EBIT margin estimates in outyears).

RESULTS

Amazon offered unusually strong long-term confidence around AWS growth while continuing to execute exceptionally well across its retail franchise, reinforcing the strength of its core businesses. At the same time, AWS growth missed an elevated bar with likely margin compression ahead, and the advertising miss is likely to reignite questions around agentic commerce and whether AI-driven discovery is beginning to pressure an important profit pool.

Retail

- **Net Amazon sales increased 12% to $202B in 3Q26 with the Prime Day shift into 2Q created an approximately 400 bps headwind to 3Q growth**, masking continued strength across the retail business. Worldwide paid units increased 12% Y/Y, while year-to-date unit growth is running nearly 15% on a base of over 30 billion items sold annually. Amazon is adding about 2x the gross sales per quarter than its next largest US competitor and consistently taking retail market segment share.

- **Excluding fuel and line-haul inflation, shipping costs continued to grow more slowly than unit volumes.** Worldwide paid units grew 12% Y/Y, while shipping costs increased 11% Y/Y. Excluding higher fuel and transportation expenses, shipping costs grew approximately 8%, or roughly 400 bps slower than unit growth, reflecting continued progress on fulfillment efficiency despite a tougher cost environment.

- **Lowering cost-to-serve remains a key focus - double-digits retail margins confirmed.** Amazon enjoyed continued gains from improved inventory placement, shorter shipping distances, package consolidation, and network optimization.

on 30-Oct-2026

The company expects to reduce cost-to-serve per unit for the fourth consecutive year while simultaneously delivering faster speeds. Robotics and AI are increasingly contributing to both productivity and safety improvements, with the company doubling its fleet of Cardinal and Sparrow robotic arms during 2026 and now operating more than one million robots across its fulfillment network.

- North America segment sales increased 6% Y/Y to $113B. International revenue increased 5% Y/Y and an important area to watch is the increasingly competitive landscape across several international markets, where low-priced entrants are gaining traction. While Amazon remains focused on defending its competitive position, heightened competition could create incremental pressure on pricing, seller economics, and marketplace growth over time.
- **Grocery continues to emerge as one of Amazon's most important long-term retail opportunities.** Fresh groceries and everyday essentials grew roughly 3x faster than the rest of the store during 3Q and now represent approximately 50% of all units sold. Customers using same-day perishables delivery purchase nearly 7x more everyday essentials. Gross sales from grocery and everyday essentials have now reached nearly **$250B on a TTM basis.**
- **Expanding convenience advantage through faster delivery offerings.** The company delivered more than 1.5 billion items to Prime customers through same-day or overnight delivery during 3Q. Amazon Now is now available in more than 450 towns and cities worldwide, with items ordered through the service increasing 10x Y/Y.
- **Healthcare and pharmacy remain emerging growth vectors within the retail ecosystem.** Amazon Pharmacy customers increased more than 60% Y/Y. Repeat customers grew more than 50% Y/Y, while three-hour prescription delivery is now available in more than 350 cities.
- **Agentic commerce double-edged sword: no impact from horizontal agents, with continued traction with Alexa for Shopping.** More than 400 million customers have used Alexa for Shopping over the last twelve months, with customer interactions increasing 570% Y/Y. U.S. customers using Alexa for Shopping spend approximately 50% more per order than those who do not, reinforcing the potential for AI-powered shopping assistants to drive higher engagement, conversion, and over time potentially advertising monetization. On the flip side, Amazon hasn't seen any impact from horizontal agents, though given the blocking nature it's hard to parse out what could have been. Commentary around agentic mistakes for non-discretionary products reinforces our house view that there's very little friction to shopping on Amazon.
- **Subscription Services revenue increased 12% Y/Y to $14B** keeping up the pace in recent quarters demonstrating continued strength in Prime engagement. **Physical Stores revenue increased 2% Y/Y to $5.7B**, as Amazon continues to focus investment behind its highest-return physical retail formats, including Whole Foods Market.
- 3P products made up 61% of items sold this quarter in line with 2Q26 and slightly above 60% in 1Q26.
- **Guidance:** 4Q revenue guidance of $240-247B (12-16% Y/Y growth) was broadly in line with expectations despite an approximately 60 bps FX headwind. Management also expects advertising growth to re-accelerate to the high teens in 4Q, following ~12% FxN in 3Q that was impacted by timing anomalies related primarily to Prime Day and a handful of other timing factors. However, the midpoint of the $28.5-33.5B EBIT guide came in roughly ~6% below pre-release consensus with questions around AWS margins, fuel costs, and the size of Project Leo expenses weighing on numbers.
    - **Leo capitalization bumped to 1Q27.** Amazon now expects Leo's initial commercial service to begin later this year, with capitalization of certain production and launch costs starting in 1Q27 rather than earlier expectations. As a result, the majority of Leo-related costs will continue to be expensed through 4Q26.

AWS

- AWS revenue grew 39% Y/Y to $46B, representing its fastest growth in nearly five years and a sixth consecutive quarter of acceleration. AWS added $3.8B of incremental revenue Q/Q compared to Microsoft at ~$2.8B and Google at ~$5.9B (although including 3P TPU system sales) putting it at the top or if not very close to the top of the leaderboard of net new $ adds. The business is now at a $184B annualized revenue run-rate supported by improving capacity availability, accelerating AI adoption, growing inference deployments, healthy core cloud demand, and rising adoption of AWS's custom silicon portfolio.

on 30-Oct-2026

- **Perhaps the most important takeaway from the quarter: Amazon is now explicitly underwriting 40%+ AWS growth through 2028.** AWS is projected to grow more than 40% in both 2027 and 2028 supported by visible customer commitments, large reserved capacity agreements, and what management believes remains very early adoption of enterprise AI inference. **Backlog remains a powerful demand indicator and** AWS backlog reached $578B, growing triple-digits Y/Y and showing diversification strength across enterprise accounts. For a business already operating at a $184B revenue run-rate, the magnitude of that forecast is striking and helps reinforce Amazon's view that AWS has a credible path toward becoming a $1T annual revenue business within 5-10 years.

- **3P Trainium sales!** The chips business continues growing triple digits Y/Y with **Trainium and Graviton revenue commitments each increasing more than 20x Y/Y**. Demand remains so strong that Amazon now intends to begin selling Trainium and like Graviton externally in late 2027. Trainium's price-performance advantage is becoming increasingly valuable as customers seek to lower inference costs, while Graviton continues benefiting from growing CPU-intensive workloads such as post-training, reinforcement learning, and agent orchestration.

- **Inference is now 50%+ of AWS's AI revenue,** and this is important because inference workloads drive demand not only for accelerators but also for compute, storage, networking, databases, and security services across the broader AWS platform. Enterprise AI deployments remain in the early innings and Amazon is confident that inference demand will increase substantially as AI applications move deeper into production.

- **The AWS flywheel is becoming increasingly powerful.** Customers run applications and data in AWS, which naturally pulls AI workloads onto the platform. Those AI workloads then drive higher demand for core infrastructure services such as storage, databases, networking, reinforcement learning, post-training workloads, and tool usage, which in turn drives additional investment and innovation across AWS. Management explicitly called out accelerating growth in core compute and storage revenues, both of which are now growing at their fastest rates in several years.

    - **Bedrock: the fastest-growing multi-billion-dollar service in AWS history**. Momentum remains exceptional, with Fortune 500 customers spending nearly 7x more Y/Y while total token volumes increased nearly 17x Y/Y. AWS continues expanding Bedrock's model selection, recently adding OpenAI models and additional frontier and open-weight offerings. Management believes the long-term opportunity could be enormous, suggesting Bedrock ultimately has the potential to become a business as large as EC2!

    - This is accompanied by **accelerating adoption of AgentCore,** with customers deploying 2x more agents in 3Q26 than in the prior three quarters combined.

- **AWS profitability remains steady though margin compression ahead?** AWS operating margins remained mostly steady Q/Q ex one-times at 38.7% with help from custom chips, proprietary networking, software optimization, and infrastructure efficiencies. While AI workloads currently carry somewhat lower margins than the mature core cloud business, and as growth skews heavier towards AI workloads and CapEx shifts towards shorter useful-life assets, we could see modest compression in AWS OI. Management noted AI margins are already better than what core AWS margins were at a similar stage of development.

Advertising

- **Amazon's advertising business was the biggest miss of the night with growth decelerating to 12% Y/Y from 26% Y/Y growth last quarter.** Amazon highlighted three factors weighing on growth: the shift of Prime Day from Q3 into Q2, which represented an ~850 bps headwind to advertising growth; the absence of NBA inventory in Q3 after benefiting Q2 results; and the anniversary of search engine marketing changes implemented in Q3'25 that had previously accelerated ad growth. Despite these headwinds, Amazon remained positive on the underlying trajectory of the business and expects ad growth to reaccelerate to the high-teens in 4Q26.

- The ad slowdown inevitably revives the debate around AI-driven product discovery, but **Amazon dismissed suggestions that changing consumer behavior is impacting advertising demand.** Management's view is that AI shopping experiences remain nascent, offer an inferior shopping experience in many cases today, and are nowhere near replacing the convenience, selection, and one-click purchase journey offered by large retail platforms.

on 30-Oct-2026

Margins, CAPEX, and FCF

- **Maintained expectation for $220B of 2026 CapEx**, with the overwhelming majority directed toward AWS and AI infrastructure. Similar to other hyperscalers, the question increasingly appears to be not whether CapEx rises in 2027, but how much higher it ultimately needs to go.

- **Highest global operating margins ever.** WW operating income was $28B with an operating margin of 13.9% that was Amazon's highest ever. Retail efficiency remains a key offset to rising AI investment. Amazon continues to find productivity gains across fulfillment, transportation, inventory placement, robotics, and regionalization initiatives.

    - Both NA, International margins were steady. NA operating income was $8.7B with an operating margin of ~8%. International margins steady despite competition, and operating margins came in at ~4% with operating income landing at ~1.6B.

- **Free cash flow declined to an outflow of $42.4B over the trailing twelve months,** largely reflecting Amazon's aggressive AI infrastructure buildout. Property and equipment purchases increased by nearly $95B Y/Y, with the vast majority of incremental investment directed toward expanding AI and AWS capacity.

Estimate changes

- Revenue: For 4Q26, we slightly lower our Retail, AWS, and Advertising estimates more in line with management commentary. Our revised revenue estimate comes down by ~1% and lies close to the high-end of Amazon's announced guidance range for 3Q26.

- Margins: We slightly raise our EBIT estimates for 4Q26 and land towards the high end of the announced guidance range given strong operating leverage trends and recent performance. We expect AWS margins to fluctuate in the mid-to-high 30% range as Bedrock service traction continues, though expect through strong increases in depreciation tied to higher spending.

- We remain Outperform and maintain our price target at $320/Share. We value Amazon using a 50/50 combination of SOTP method (which values the Retail segment at a 2027E EV/Sales multiple of 3x (unchanged) and the AWS segment at a 2027E EV/EBIT multiple of 25x (unchanged)), and a DCF using a WACC of 9% and a terminal growth rate of 3.5% (WACC and terminal growth rate remain unchanged; slight increase to EBIT margin estimates in outyears).

on 30-Oct-2026

EXHIBIT 1: **AMZN Performance: Actuals vs. Bernstein estimates vs. Consensus**

Amazon First Look Post 3Q26

	3Q26A	Bernstein	Beat/Miss	Consensus	Beat/Miss	Growth Y/Y
Total Revenue	**201,944**	**205,932**	**-2%**	**202,259**	**0%**	**12%**
Online Stores	68,470	69,947	-2%	69,609	-2%	2%
Physical Stores	5,710	5,913	-3%	5,775	-1%	2%
Third-Party Seller Services	46,492	46,464	0%	45,825	1%	9%
Subscription Services	14,006	13,831	1%	13,834	1%	11%
AWS	45,984	46,538	-1%	45,684	1%	39%
Advertising	19,637	21,775	-10%	20,912	-6%	11%
Other	1,645	1,465	12%	1,048	57%	16%
Total Expenses	173,868	177,963	2%	176,196	1%	
EBIT	**28,076**	**27,970**	**0%**	**26,063**	**8%**	
D&A	20,949	21,623	3%	22,161	5%	
EBITDA	**49,025**	**49,592**	**-1%**	**48,224**	**2%**	
Other Income (Exp.)	-1,211	-89		592		
Taxes	6,180	5,018	23%	5,044	23%	
Net Income	**20,685**	**22,862**	**-10%**	**21,611**	**-4%**	
Diluted EPS	**1.89**	**2.09**	**-10%**	**1.97**	**-4%**	

AMZN 4Q26 Guidance vs. Expectations - using Midpoint of range

	Low End	High End	Midpoint	Consensus	Beat/Miss
Revenue	240,000	247,000	243,500	244,519	0%
EBIT	28,500	33,500	31,000	32,994	-6%

Source: Company reports, Bloomberg consensus, Bernstein estimates and analysis

on 30-Oct-2026

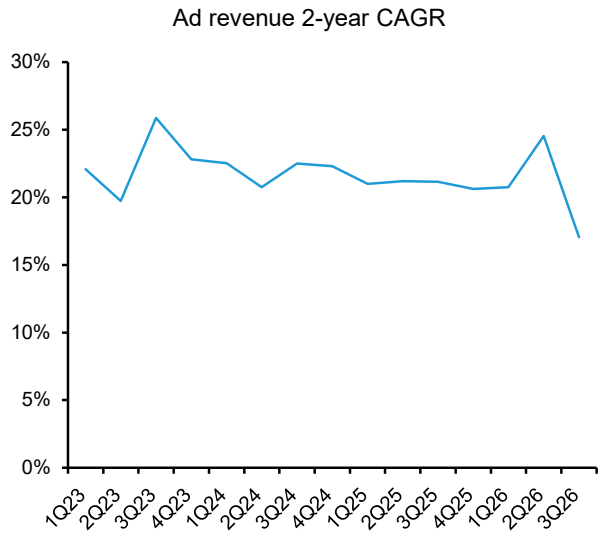
EXHIBIT 2: **Our Amazon estimates revisions post 3Q26 earnings**

Changes to estimates	Period	New	Old	% change	New Y/Y %	Old Y/ Y %
Revenue ($M)	3Q26	201,944	205,932	-2%	20%	20%
	4Q26	246,928	249,559	-1%	12%	14%
	FY26	830,997	837,617	-1%	16%	17%
	FY27	966,800	975,810	-1%	16%	16%
	FY28	1,127,858	1,133,003	0%	17%	16%
EBIT ($M)	3Q26	28,076	27,970	0%	43%	43%
	4Q26	33,412	32,934	1%	61%	61%
	FY26	112,801	112,216	1%	41%	40%
	FY27	173,478	168,415	3%	54%	50%
	FY28	244,937	236,147	4%	41%	40%
EBIT Margin (%)	3Q26	13.9%	13.6%	0.3%		
	4Q26	13.5%	13.2%	0.3%		
	FY26	13.6%	13.4%	0.2%		
	FY27	17.9%	17.3%	0.7%		
	FY28	21.7%	20.8%	0.9%		
Y/Y revenue growth (%)						
Retail & other	4Q26	10.1%	10.9%			
AWS	4Q26	40.0%	41.0%			
Advertising	4Q26	17.0%	22.0%			
Retail & other	FY26	10.4%	10.9%			
AWS	FY26	36.4%	37.1%			
Advertising	FY26	18.9%	23.6%			

Source: Company reports, Bernstein estimates and analysis

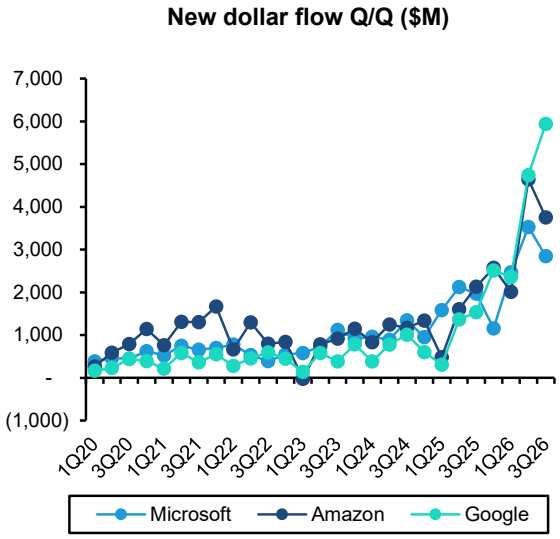
on 30-Oct-2026

EXHIBIT 3: **Ad revenue also decelerated on a 2-year stack**



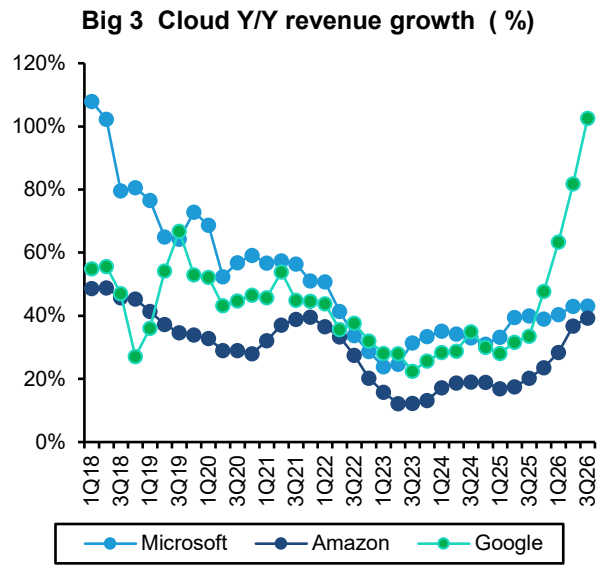
Source: Company reports; Bernstein estimates and analysis

EXHIBIT 4: **AWS revenue increased by roughly $3.8B Q/Q vs. Microsoft at ~$2.8B and Google at ~$5.9B (including 3P TPU system sales)**



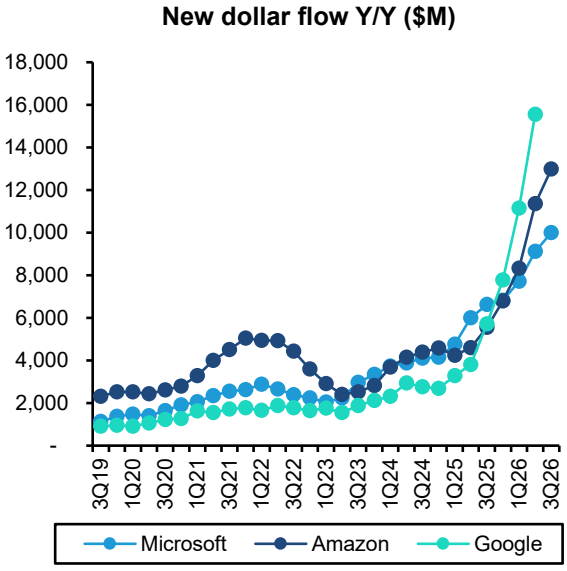
Microsoft is covered by Mark Moerdler
Source: Company reports, Bernstein estimates and analysis

EXHIBIT 5: **On a Y/Y basis, AWS grew +39% vs Azure at +43% and Google Cloud at +103% (including 3P TPU sales)**



Microsoft is covered by Mark Moerdler
Source: Company reports, Bernstein estimates and analysis

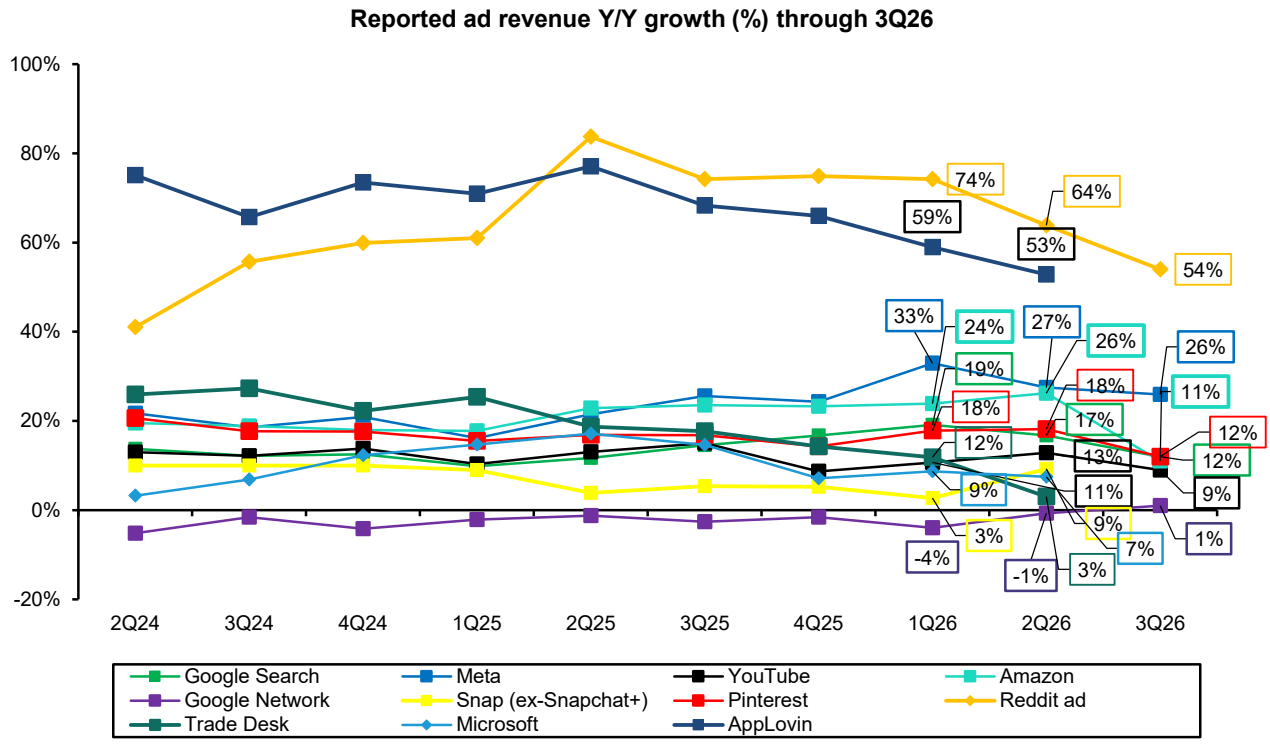
EXHIBIT 6: **On a Y/Y basis, AWS added $13B vs Azure at $10B and Google Cloud at $15.5B (including 3P TPU sales)**



Microsoft is covered by Mark Moerdler
Source: Company reports, Bernstein estimates and analysis

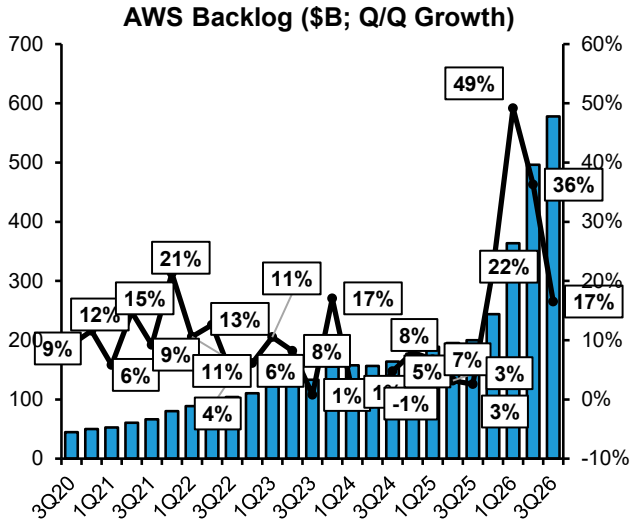
on 30-Oct-2026

EXHIBIT 7: **Digital ads growth (%)**



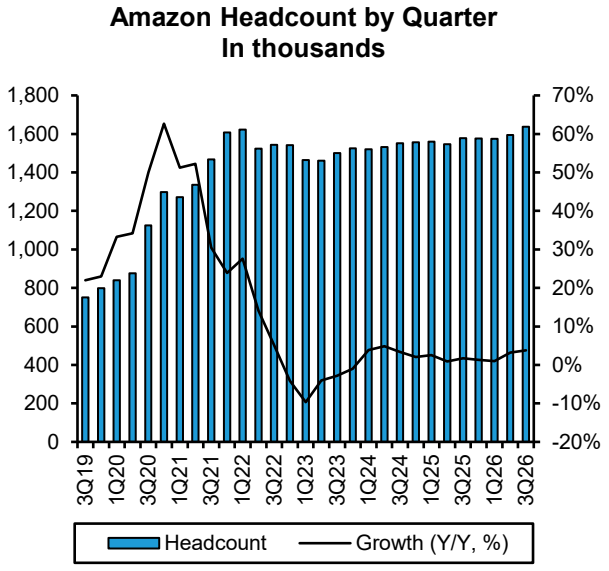
Google, Meta, Amazon, Snapchat, Pinterest; AppLovin excludes IAP
Source: Company reports, Bernstein analysis

EXHIBIT 8: **Backlog reached $578B**



Source: Company reports, Bernstein analysis

EXHIBIT 9: **Amazon headcount increased +1% Y/Y**

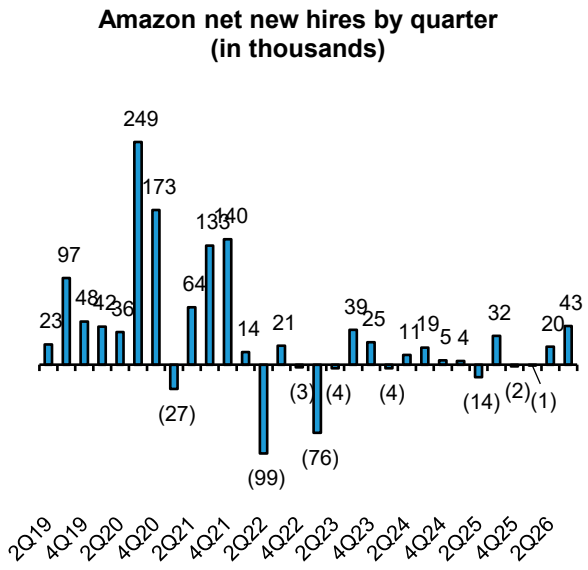


Source: Company reports, Bernstein analysis

人在草木间

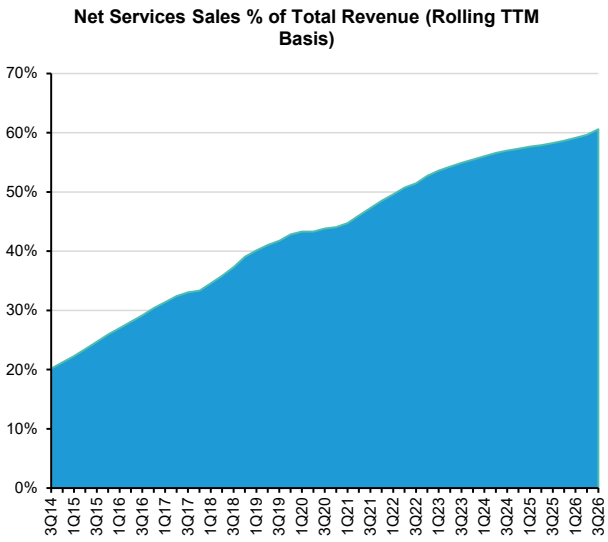
on 30-Oct-2026

EXHIBIT 10: **Headcount decreased Q/Q**



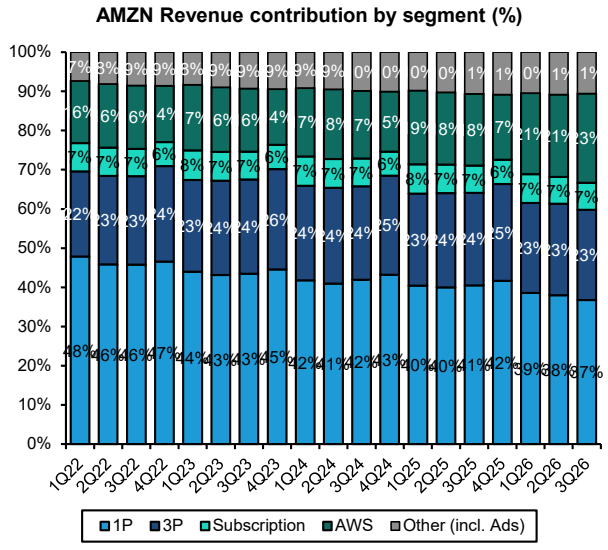
Source: Company reports, Bernstein analysis

EXHIBIT 11: **Revenue contribution from services**



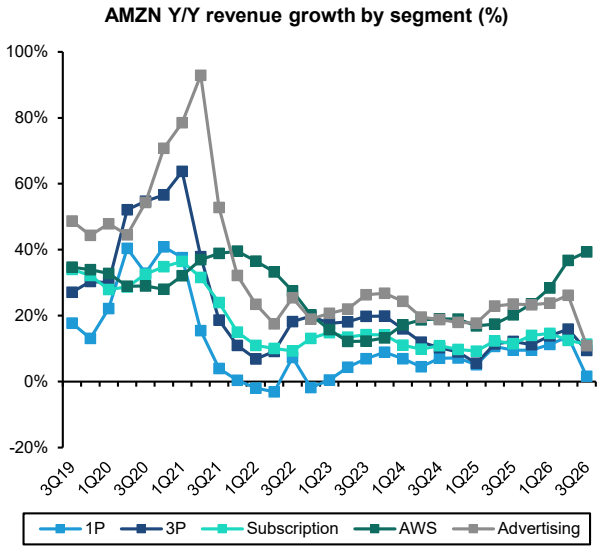
Source: Company filings, Bernstein analysis

EXHIBIT 12: **Revenue contribution by segment**



Source: Company reports, Bernstein analysis

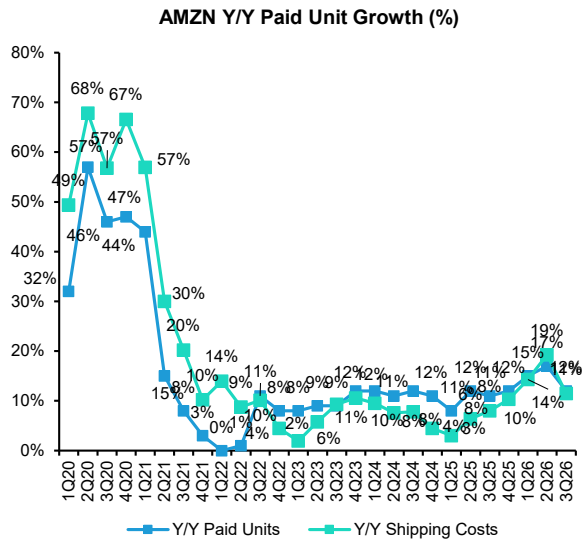
EXHIBIT 13: **Revenue growth by segment**



Source: Company filings, Bernstein analysis

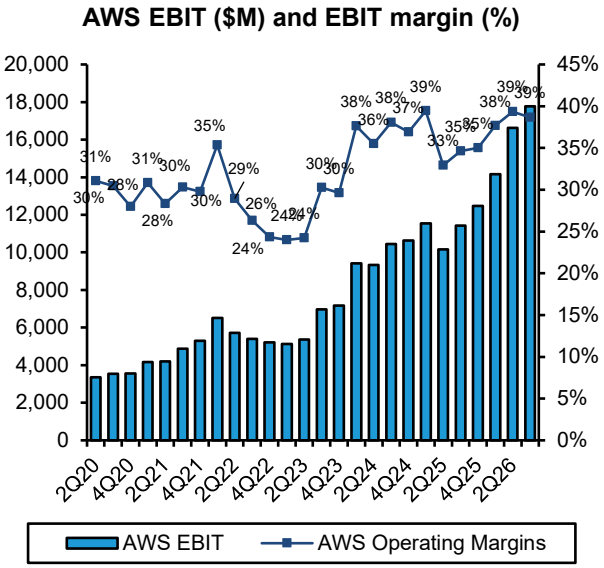
on 30-Oct-2026

EXHIBIT 14: **Y/Y paid unit and shipping costs growth**



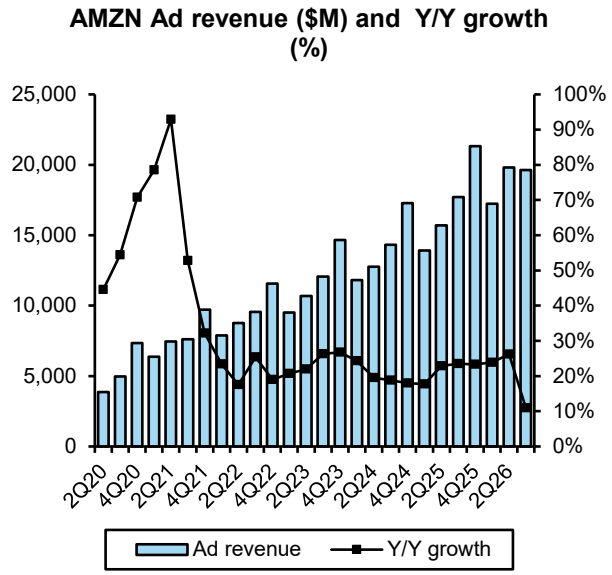
Source: Company filings, Bernstein analysis

EXHIBIT 15: **AWS EBIT and Margin**



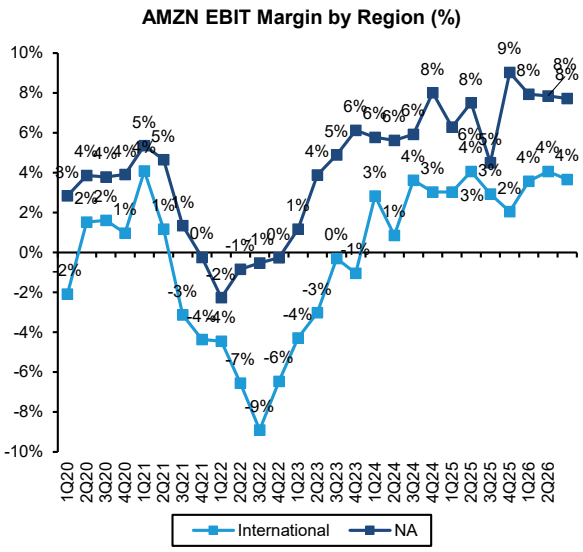
Source: Company filings, Bernstein analysis

EXHIBIT 16: **Advertising revenue growth**



Source: Company filings, Bernstein estimates and analysis

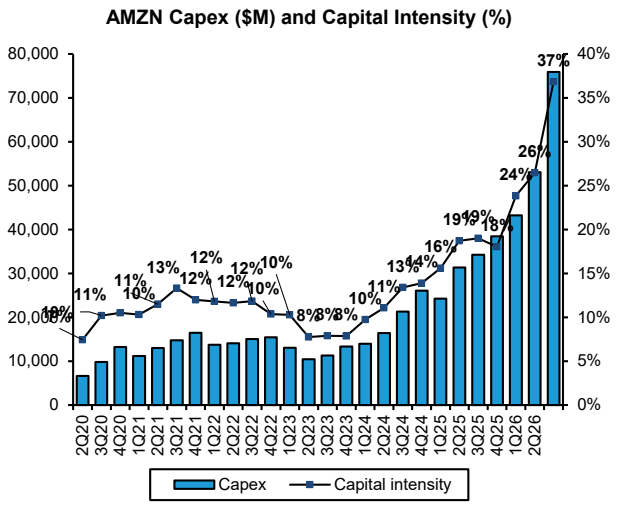
EXHIBIT 17: **AMZN EBIT margin by region**



Source: Company reports, Bernstein analysis

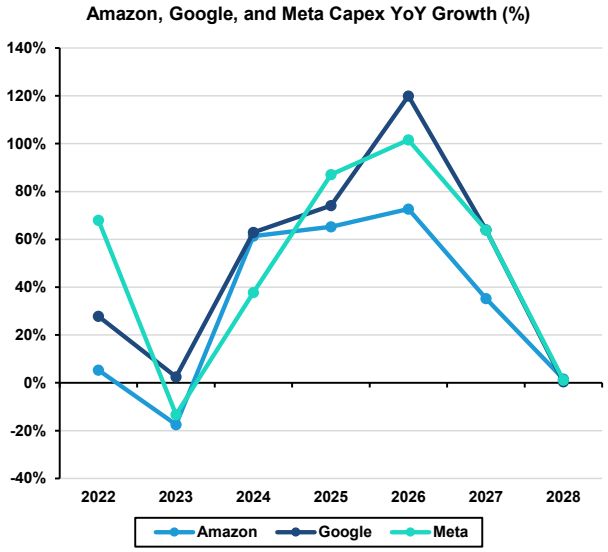
on 30-Oct-2026

EXHIBIT 18: **Amazon Capex and Capital Intensity**



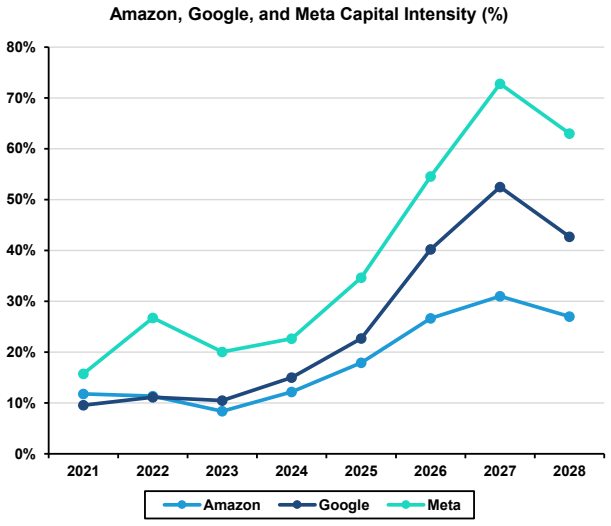
Source: Company reports, Bernstein estimates and analysis

EXHIBIT 19: **Amazon, Google, and Meta Capex Y/Y Growth (%)**



Source: Company reports, Bernstein estimates and analysis

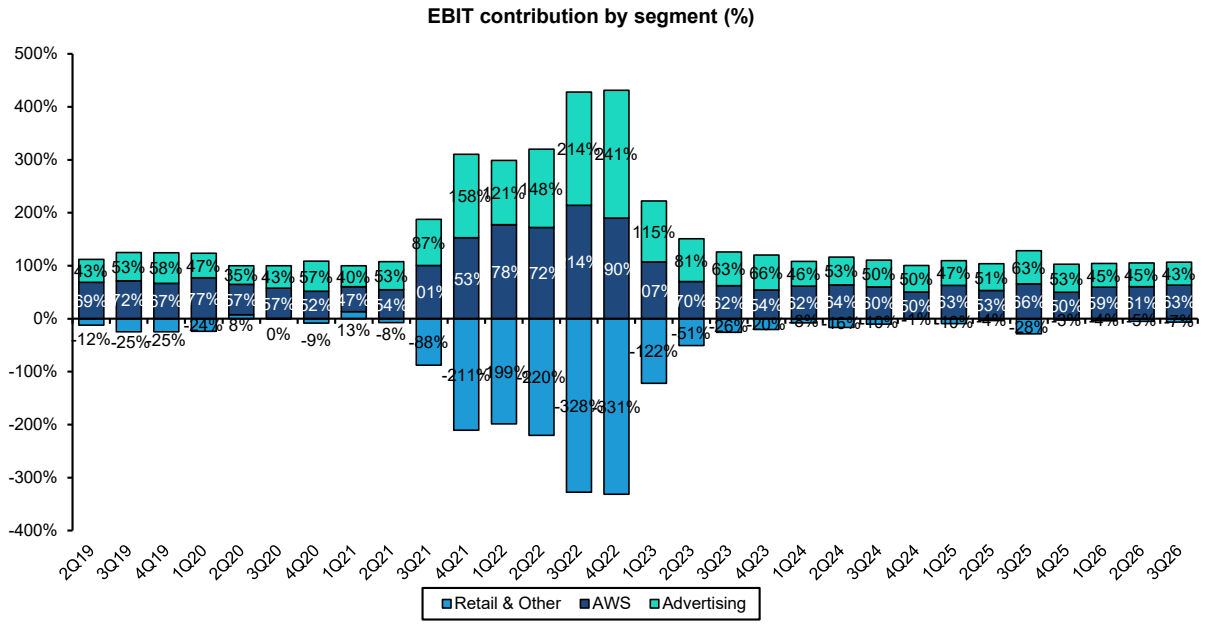
EXHIBIT 20: **Amazon, Google, and Meta Capital Intensity (%)**



Source: Company reports, Bernstein estimates and analysis

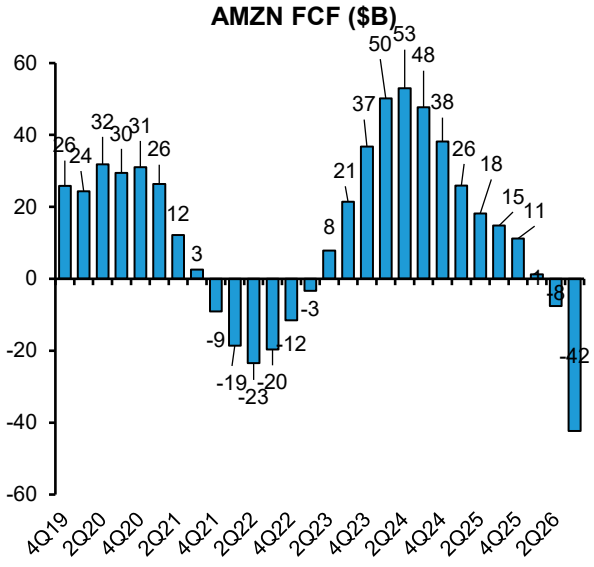
on 30-Oct-2026

EXHIBIT 21: **AMZN EBIT contribution by segment**



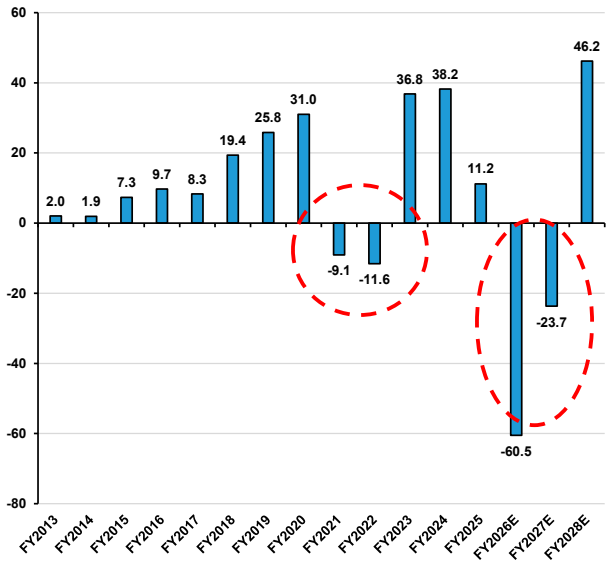
Retail & Other, and Advertising are Bernstein estimates
Source: Company filings, Bernstein estimates and analysis

EXHIBIT 22: **AMZN FCF**



Source: Company reports, Bernstein analysis

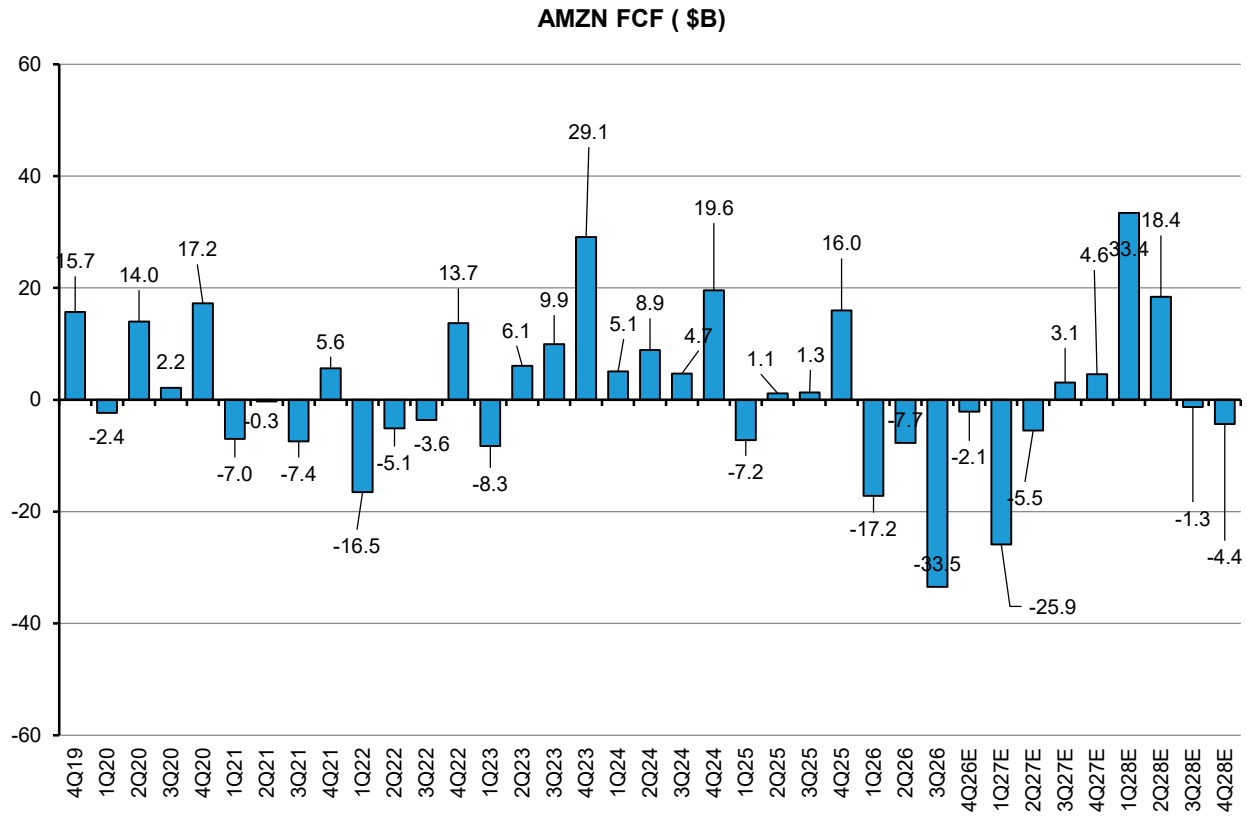
EXHIBIT 23: **Amazon FCF - Amazon has been through past serious investment cycles and broached -ve FCF before recovering strongly**



Source: Company reports, Bernstein estimates and analysis

on 30-Oct-2026

EXHIBIT 24: **AMZN historical and forecasted FCF**



Source: Company reports, Bernstein estimates and analysis

Mark Shmulik +1 917 344 8508 mark.shmulik@bernsteinsg.com

APPENDIX - FINANCIAL FORECASTS

EXHIBIT 25: **Our AMZN Model**

in millions except per share and percentage data

AMZN	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26E	FY2024	FY2025	FY2026E	FY2027E	FY2028E
GAAP INCOME STATEMENT													
Revenue	**155,667**	**167,702**	**180,169**	**213,386**	**181,519**	**200,606**	**201,944**	**246,928**	**637,959**	**716,924**	**830,997**	**966,800**	**1,127,858**
Cost of Revenue	76,976	80,809	88,670	109,959	87,463	95,778	94,573	120,262	326,288	356,414	398,076	414,554	439,734
Fulfillment	24,593	25,976	27,679	30,826	27,289	29,633	29,997	35,967	98,505	109,074	122,886	137,279	149,672
Marketing	9,763	11,416	11,686	14,264	10,314	11,698	11,649	16,791	43,907	47,129	50,452	63,885	75,566
Technology and Content	22,994	27,166	28,962	29,399	29,567	33,158	34,814	35,805	88,544	108,521	133,344	159,522	197,375
General and administrative	2,628	2,965	2,875	2,704	2,587	2,788	2,701	3,704	11,359	11,172	11,780	14,213	16,062
Other	308	199	2,875	1,257	447	90	134	988	763	4,639	1,659	3,867	4,511
Total Expenses	**137,262**	**148,531**	**162,747**	**188,409**	**157,667**	**173,145**	**173,868**	**213,516**	**569,366**	**636,949**	**718,196**	**793,322**	**882,920**
EBIT	**18,405**	**19,171**	**17,422**	**24,977**	**23,852**	**27,461**	**28,076**	**33,412**	**68,593**	**79,975**	**112,801**	**173,478**	**244,937**
D&A	14,262	15,227	16,796	19,471	18,945	19,988	20,949	27,162	52,795	65,756	87,044	116,392	149,670
EBITDA (incl. SBC)	**32,667**	**34,398**	**34,218**	**44,448**	**42,797**	**47,449**	**49,025**	**60,574**	**121,388**	**145,731**	**199,845**	**289,870**	**394,607**
Other Expenses (Benefits)	1,278	1,007	(3,765)	3,785	(6,403)	(35,186)	7,391	6,471	9,345	2,305	(27,727)	30,071	42,852
Net Income	**17,127**	**18,164**	**21,187**	**21,192**	**30,255**	**62,647**	**20,685**	**26,941**	**59,248**	**77,670**	**140,528**	**143,406**	**202,085**
Weight Avg. Diluted Shares	10,793	10,806	10,845	10,863	10,874	10,903	10,797	10,861	10,721	10,827	10,859	11,062	11,404
GAAP EPS	**1.59**	**1.68**	**1.95**	**1.95**	**2.78**	**5.75**	**1.92**	**2.48**	**5.52**	**7.17**	**12.92**	**12.95**	**17.70**
GAAP Margins:													
Gross Margin	51%	52%	51%	48%	52%	52%	53%	51%	49%	50%	52%	57%	61%
EBIT Margin	12%	11%	10%	12%	13%	13.7%	13.9%	14%	11%	11%	14%	18%	22%
EBITDA Margin	21%	21%	19%	21%	24%	24%	24%	25%	19%	20%	24%	30%	35%
Y/Y Growth (GAAP):													
Revenue	9%	13%	13%	14%	17%	20%	12%	16%	11%	12%	16%	16%	17%
EBIT	20%	31%	0%	18%	30%	43%	61%	34%	86%	17%	41%	54%	41%
EPS	62%	33%	37%	5%	75%	242%	-2%	27%	91%	30%	80%	0%	37%
NON-GAAP METRICS													
Adjusted EBITDA	**36,356**	**40,932**	**39,065**	**48,845**	**46,829**	**53,487**	**54,431**	**65,667**	**143,399**	**165,198**	**220,414**	**313,822**	**422,587**
Adjusted EBITDA Margin	23%	24%	22%	23%	26%	27%	27%	27%	22%	23%	27%	32%	37%
Adjusted EPS (ex Rivian)	**1.59**	**1.68**	**1.95**	**1.95**	**2.78**	**5.75**	**1.92**	**2.48**	**5.52**	**7.17**	**12.92**	**12.95**	**17.70**
Adjusted EPS growth	62%	33%	37%	5%	75%	242%	-2%	27%	89%	30%	80%	0%	37%
KEY METRICS													
eCommerce GMV (Est.)	182,825	198,595	214,331	267,703	209,775	227,494	217,711	297,151	769,594	863,454	952,130	1,047,342	1,131,130
GMV Growth (Y/Y)	8%	13%	13%	14%	15%	15%	2%	11%	10%	12%	10%	10%	8%
Retail Revenue (Est.)	111,167	119,636	128,045	154,781	125,044	136,736	134,678	170,418	468,764	513,629	566,876	614,473	658,707
Retail Growth (Y/Y)	6%	11%	11%	10%	12%	14%	5%	10%	8%	10%	10%	8%	7%
AWS Revenue (Reported)	29,267	30,873	33,006	35,579	37,587	42,232	45,984	49,811	107,556	128,725	175,614	249,371	351,614
AWS Growth (Y/Y)	17%	17%	20%	24%	28%	37%	39%	40%	19%	20%	36%	42%	41%
Advertising Revenue (Est.)	13,921	15,694	17,703	21,317	17,243	19,809	19,637	24,941	56,214	68,635	81,630	95,877	110,259
Ad Growth (Y/Y)	18%	23%	24%	23%	24%	26%	11%	17%	20%	22%	19%	17%	15%
Purchase of PP&E net of Proceeds	-24,255	-31,368	-34,228	-38,469	-43,234	-53,076	-75,878	-49,386	-77,658	-128,320	-221,574	-299,708	-304,522
BALANCE SHEET & CASH FLOW													
Cash + Marketable Securities	94,565	93,180	94,197	123,029	143,089	122,988	114,226	117,494	101,202	123,029	117,494	123,417	210,676
All Other	548,691	588,990	633,724	695,013	773,541	972,701	1,129,164	1,155,833	523,692	695,013	1,155,833	1,370,274	1,590,103
Total Assets	**643,256**	**682,170**	**727,921**	**818,042**	**916,630**	**1,095,689**	**1,243,390**	**1,273,326**	**624,894**	**818,042**	**1,273,326**	**1,493,691**	**1,800,779**
Adj. FCF Operations	**(7,240)**	**1,147**	**1,297**	**15,990**	**(17,202)**	**(7,689)**	**(33,456)**	**(2,132)**	**38,219**	**11,194**	**(60,479)**	**(23,678)**	**46,202**
Adjusted FCF Margin	-5%	1%	1%	7%	-9%	-4%	-17%	-1%	6%	2%	-7%	-2%	4%

Source: Company reports, Bernstein estimates and analysis

on 30-Oct-2026

BERNSTEIN TICKER TABLE

			29 Oct 2026		TTM		Reported EPS			Reported P/E (x)		
Ticker	Rating	Cur	Closing Price	Price Target	Rel. Perf.	Cur	2025A	2026E	2027E	2025A	2026E	2027E
AMZN (Amazon)	O	USD	243.79	320.00	(6.2)%	USD	7.17	**12.92**	**12.95**	34.0	18.9	18.8
OLD								13.08	12.49			
SPX			7,720.39									

ESTIMATE CHANGE IN BOLD

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

Source: Bloomberg, Bernstein estimates and analysis.

on 30-Oct-2026

I. REQUIRED DISCLOSURES

References to "Bernstein" or the “Firm” in these disclosures relate to the following entities: Bernstein Institutional Services LLC (April 1, 2024 onwards), Sanford C. Bernstein & Co., LLC (pre April 1, 2024), Bernstein Autonomous LLP, BSG France S.A. (April 1, 2024 onwards), Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited, Sanford C. Bernstein Japan KK（サンフォード・C・バーンスタイン株式会社）and analysts employed by Société Générale Africa Technologies & Services to produce Bernstein research under a Global Services Agreement in place between Bernstein and Société Générale.

Bernstein is part of a joint venture between Société Générale (SG) and AllianceBernstein, L.P. (AB). Unless specifically noted otherwise, for purposes of these disclosures, references to Bernstein’s “affiliates” relate to both SG and AB and their respective affiliates.

VALUATION METHODOLOGY

Amazon.Com Inc

We value Amazon on a Price Target of $320 using a 50/50 combination of SOTP method (which values the Retail segment at a 2027E EV/Sales multiple of 3x and the AWS segment at a 2027E EV/EBIT multiple of 25x), and a DCF using a WACC of 9% and a terminal growth rate of 3.5%.

RISKS

Amazon.Com Inc

Downside risks to our price target:
• Amazon is currently under investigation in multiple regulatory proceedings across both anti-trust and privacy, domestically and abroad. Any regulations or actions by either the FTC, DOJ, or EU agencies could negatively impact the company's financials and valuation.
• New investments such as Groceries, Healthcare, AI, and Other Bets could result in a new investment cycle resulting in elevated capital intensity, compressing operating margins, and lower FCF.
• Share loss across core businesses from new eCommerce entrants and main AWS competitors could derate the multiples associated with both core businesses

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

EQUITY RATINGS DEFINITIONS

Bernstein brand

The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIAX) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

The Bernstein brand has three categories of ratings:

- Outperform: Stock will outpace the market index by more than 15 pp
- Market-Perform: Stock will perform in line with the market index to within +/-15 pp
- Underperform: Stock will trail the performance of the market index by more than 15 pp

Coverage Suspended: Coverage of a company under the Bernstein research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

on 30-Oct-2026

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 600 Financials Price Return Index (E600BK) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 600 Insurance Price Return Index (E600IN) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments, and the Bloomberg Japan Financials Large & Mid Cap Price Return Index (JPFILM) for Japanese Financials. Ratings are stated relative to the sector (not the market).

The Autonomous brand has three categories of common stock ratings:

- Outperform (OP): Stock will outpace the relevant index by more than 10 pp
- Neutral (N): Stock will perform in line with the market index to within +/-10 pp
- Underperform (UP): Stock will trail the performance of the relevant index by more than 10 pp

Coverage Suspended: Coverage of a company under the Autonomous research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Those denoted as 'Feature' (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

Not Covered (NC) denotes companies that are not under coverage.

Autonomous brand common stock ratings are based on a 12-month time horizon.

Autonomous brand – preferred stocks

The Autonomous brand has three categories of preferred stock ratings:

- Outperform (OP): The total return of the preferred instrument is expected to outperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Underperform (UP): The total return of the preferred instrument is expected to underperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous preferred stock ratings are based on a 6-month time horizon.

AUTONOMOUS CREDIT RESEARCH

Where this report contains investment recommendations for credit instruments, as defined in article 3(1)(35) of the Market Abuse Regulation, the information below is presented to comply with its disclosure requirements.

The report may also include reference(s) to published opinions by other Autonomous or Bernstein analysts covering the equity securities of the issuer(s) referenced herein. Please note an investment recommendation for credit instruments published by the author(s) of this report may differ from the published view of the analyst covering equity securities for the issuer(s) contained in

on 30-Oct-2026

this report and vice versa.

CREDIT RATINGS DEFINITIONS

The Autonomous brand has three categories of credit ratings:

- Credit Outperform (C-OP): The total return of the Reference Credit Instrument is expected to outperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.
- Credit Neutral (C-N): The total return of the Reference Credit Instrument is expected to perform in line with the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.
- Credit Underperform (C-UP): The total return of the Reference Credit Instrument is expected to underperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous credit ratings are based on a 6-month time horizon.

A list of all investment recommendations produced by the author(s) of this report alongside credit ratings history are available upon request.

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e. the private side) within the Firm, and into other areas, units, groups or affiliates (i.e. public side) of the Firm

DISTRIBUTION OF EQUITY RATINGS/INVESTMENT BANKING SERVICES

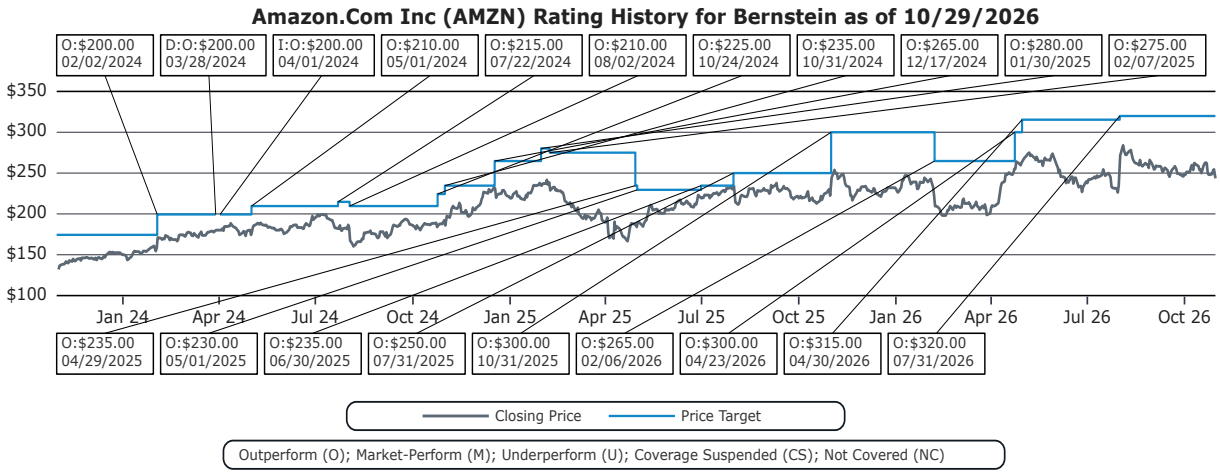
Equity Rating	Market Abuse Regulation (MAR) and FINRA Rating Category	Global Rating Distribution	Investment Banking Relationships*
Outperform	BUY	52.3%	14.2%
Market-Perform (Bernstein Brand) Neutral (Autonomous Brand)	HOLD	35.6%	16.1%
Underperform	SELL	12.1%	13.6%

* These figures represent the percentage of companies within each equity rating category for which affiliates of Bernstein have provided investment banking services within the previous 12 months.
As of September 30, 2026. All figures are updated quarterly.

PRICE CHARTS / RATINGS AND PRICE TARGET HISTORY

Prior to April 1, 2024, Sanford C. Bernstein & Co., LLC. issued the ratings and price target information in the graph(s) below for the following companies: Amazon.Com Inc.

on 30-Oct-2026



All price target and closing price data in the chart(s) above are denominated in the currency noted in the Ticker Table of this report.

CONFLICTS OF INTEREST

Bernstein and/or affiliates have received compensation for investment banking services in the past twelve months from Amazon.Com Inc.

An associate contributing to this report has a financial interest in the equity or debt securities of Amazon.Com Inc.

Bernstein and/or affiliates have received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Amazon.Com Inc.

Bernstein and/or affiliates expect to receive or intend to seek compensation for investment banking services in the next three months from Amazon.Com Inc.

Certain affiliates of Bernstein act as market maker or liquidity provider in the debt securities of: Amazon.Com Inc.

Affiliates of Bernstein managed or co-managed in the past twelve months a public offering of securities of Amazon.Com Inc.

Bernstein and/or affiliates had an investment banking client relationship during the past twelve months with Amazon.Com Inc.

Certain affiliates of Bernstein act as market maker or liquidity provider in the equities securities of: Amazon.Com Inc.

OTHER MATTERS

The legal entity(ies) employing the analyst(s) listed in this report, and their location, can be determined by the country code of their phone number, as follows:

+1 Bernstein Institutional Services LLC; New York, New York, USA

+44 Bernstein Autonomous LLP; London UK

+212 Société Générale Global Solution Center Morocco, Casablanca, Morocco

+33 BSG France S.A.; Paris, France

+34 BSG France S.A.; Madrid, Spain

+41 Bernstein Autonomous LLP; Geneva, Switzerland

+49 BSG France S.A.; Frankfurt, Germany

on 30-Oct-2026

+91 Sanford C. Bernstein (India) Private Limited; Mumbai, India

+852 Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司; Hong Kong, China

+65 Sanford C. Bernstein (Singapore) Private Limited; Singapore

+81 Sanford C. Bernstein Japan KK; Tokyo, Japan

Where this report has been prepared by research analyst(s) employed by a non-US affiliate, such analyst(s), is/are (unless otherwise expressly noted below) not registered as associated persons of Bernstein Institutional Services LLC or any other SEC-registered broker-dealer and are not licensed or qualified as research analysts with FINRA. Accordingly, such analyst(s) may not be subject to FINRA's restrictions regarding (among other things) communications by research analysts with a subject company, interactions between research analysts and investment banking personnel, participation by research analysts in solicitation and marketing activities relating to investment banking transactions, public appearances by research analysts, and trading securities held by a research analyst account.

Where this report has been prepared by research analyst(s) employed by Société Générale Africa Technologies & Services (part of the Société Générale group of companies), it has been prepared on behalf of a Bernstein company under a Global Services Agreement in place between Bernstein and Société Générale.

CERTIFICATION

Each research analyst listed in this report, who is primarily responsible for the preparation of the content of this report, certifies that all of the views expressed in this publication accurately reflect that analyst's personal views about any and all of the subject securities or issuers and that no part of that analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views in this publication.

II. ADDITIONAL GLOBAL CONFLICT DISCLOSURES

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e., the private side) within the Firm, and into other areas, units, groups or affiliates (i.e., public side) of the Firm.

III. OTHER IMPORTANT INFORMATION AND DISCLOSURES

Separate branding is maintained for "Bernstein" and "Autonomous" research products.

- Bernstein produces a number of different types of research products including, among others, fundamental analysis and quantitative analysis under both the "Autonomous" and "Bernstein" brands. Recommendations contained within one type of research product may differ from recommendations contained within other types of research products, whether as a result of differing time horizons, methodologies or otherwise. Furthermore, views or recommendations within a research product issued under one brand may differ from views or recommendations under the same type of research product issued under the other brand. The Research Ratings System for the two brands and other information related to those Rating Systems are included in the previous section.

- Autonomous operates as a separate business unit within the following entities: Bernstein Institutional Services LLC, Bernstein Autonomous LLP, Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 and Sanford C. Bernstein (India) Private Limited. For information relating to "Autonomous" branded products (including certain Sales materials) please visit: www.autonomous.com. For information relating to Bernstein branded products please visit: www.bernsteinresearch.com.

Analysts are compensated based on aggregate contributions to the research franchise as measured by account penetration, productivity and proactivity of investment ideas. No analysts are compensated based on performance in, or contributions to, generating investment banking revenues.

This report has been produced by an independent analyst as defined in Article 3 (1)(34)(i) of EU 596/2014 Market Abuse Regulation ("MAR") and the same article of MAR as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

To our readers in the United States: Bernstein Institutional Services LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission ("SEC") and a member of the U.S. Financial Industry Regulatory Authority, Inc. ("FINRA") is distributing this publication in the United States and accepts responsibility for its contents. Where this material contains an analysis of debt product(s), such material is intended only for institutional investors and is not subject to the US independence and disclosure

on 30-Oct-2026

standards applicable to debt research prepared for retail investors.

Bernstein Institutional Services LLC may act as principal for its own account or as agent for another person (including an affiliate) in sales or purchases of any security which is a subject of this report. This report does not purport to meet the objectives or needs of any specific individuals, entities or accounts.

To our readers in Canada: If this publication pertains to a Canadian domiciled company, it is being distributed in Canada by Sanford C. Bernstein (Canada) Limited, which is licensed and regulated by the Canadian Investment Regulatory Organization. If the publication pertains to a non-Canadian domiciled company, it is being distributed by Bernstein Institutional Services LLC, which is licensed and regulated by both the SEC and FINRA, into Canada under the International Dealers Exemption.

This document may not be passed onto any person in Canada unless that person qualifies as "permitted client" as defined in Section 1.1 of NI 31-103.

To our readers in Brazil: This report has been prepared by Bernstein Institutional Services LLC, and Banco BTG Pactual S.A. ("BTG") is responsible for the distribution of this report in Brazil.

To readers in the United Kingdom: This publication has been issued or approved for issue in the United Kingdom by Bernstein Autonomous LLP, authorised and regulated by the Financial Conduct Authority and located at 60 London Wall, London EC2M 5SH, +44 (0)20-7170-5000. Registered in England & Wales No OC343985.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

To our readers in the member states of the EEA: This publication is being distributed by BSG France SA, which is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and Autorité des Marchés Financiers (AMF).

To our readers in Hong Kong: This publication is being distributed in Hong Kong by Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, which is licensed and regulated by the Hong Kong Securities and Futures Commission (Central Entity No. AXC846) to carry out Type 4 (Advising on Securities) regulated activities and subject to the licensing conditions mentioned in the SFC Public Register (https://www.sfc.hk/publicregWeb/corp/AXC846/details)). This publication is solely for professional investors, as defined in the Securities and Futures Ordinance (Cap. 571). The purpose of this report is solely to provide an analysis of the issuers referred to in this report and is not intended for any purpose contrary to the laws of Hong Kong.

To our readers in Singapore: This publication is being distributed in Singapore by Sanford C. Bernstein (Singapore) Private Limited, only to accredited investors or institutional investors, as defined in the Securities and Futures Act 2001 of Singapore ("SFA"). Recipients in Singapore should contact Sanford C. Bernstein (Singapore) Private Limited in respect of matters arising from, or in connection with, this publication. Sanford C. Bernstein (Singapore) Private Limited is regulated by the Monetary Authority of Singapore and licensed under the SFA as a capital markets services licence holder for dealing in capital markets products that are securities and collective investment schemes and an exempt financial adviser for advising on, issuing and promulgating analyses and reports on securities. Sanford C. Bernstein (Singapore) Private Limited is registered in Singapore with Company Registration No. 20213710W and located at 8 Marina Boulevard, #12-01, Marina Bay Financial Centre, Singapore 018981, +65-6326-7000.

To our readers in the People’s Republic of China: The securities referred to in this document are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, the “PRC”) in contravention of any applicable laws of the PRC.

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

We do not represent that this document may be lawfully distributed, or that any securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any securities or distribution of this document in the PRC. Accordingly, the securities are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any

on 30-Oct-2026

applicable laws and regulations.

To our readers in Japan: This publication is being distributed in Japan by Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社), which is registered in Japan as a Financial Instruments Business Operator with the Kanto Local Finance Bureau (registration number: The Director-General of Kanto Local Finance Bureau (FIBO) No.3387) and regulated by the Financial Services Agency. It is also a member of Investment Management Association of Japan. This publication is solely for qualified institutional investors in Japan only, as defined in Article 2, paragraph (3), items (i) of the Financial Instruments and Exchange Act.

For the institutional client readers in Japan who have been granted access to the Bernstein website by Daiwa Securities Group Inc. ("Daiwa"), your access to this document should not be construed as meaning that Bernstein is providing you with investment advice for any purposes. Whilst Bernstein has prepared this document, your relationship is, and will remain with, Daiwa, and Bernstein has neither any contractual relationship with you nor any obligations towards you.

To our readers in Australia: Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is responsible for distributing research in Australia. It is regulated by the Securities and Exchange Commission under U.S. laws, by the Financial Conduct Authority under U.K. laws, which differs from Australian laws. Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 in respect of the provision of the following financial services to wholesale clients:

- providing financial product advice;
- dealing in a financial product;
- making a market for a financial product; and
- providing a custodial or depository service.

To our readers in India: This publication is being distributed in India by Sanford C. Bernstein (India) Private Limited (SCB India) which is licensed and regulated by Securities and Exchange Board of India ("SEBI") as a research analyst entity under the SEBI (Research Analyst) Regulations, 2014, having registration no. INH000006378 and as a stock broker having registration no. INZ000213537. SCB India is currently engaged in the business of providing research and stock broking services. Please refer to www.bernsteinresearch.in for more information.

- SCB India is a Private limited company incorporated under the Companies Act, 2013, on April 12, 2017 bearing corporate identification number U65999MH2017FTC293762, and registered office at Level 3A, 4th Floor, First International Financial Centre, Plot Nos C-54 and C-55, G Block, Near CBI Office, Bandra Kurla Complex, Bandra (East), Mumbai 400098, Maharashtra, India (Phone No: +91-22-68421401).
- For details of Associates (i.e., affiliates/group companies) of SCB India, kindly email MUM-BERNSTEIN-InCompliance@bernsteinsg.com / scbincompliance@bernsteinsg.com.
- SCB India does not have any disciplinary history as on the date of this report.
- Except as noted above, SCB India and/or its Associates (i.e., affiliates/group companies), the Research Analysts authoring this report, and their relatives
  - do not have any financial interest in the subject company
  - do not have actual/beneficial ownership of one percent or more in securities of the subject company;
  - is not engaged in any investment banking activities for Indian companies, as such;
  - have not managed or co-managed a public offering in the past twelve months for any Indian companies;
  - have not received any compensation for investment banking services or merchant banking services from the subject company in the past 12 months;
  - have not received compensation for brokerage services from the subject company in the past twelve months;

on 30-Oct-2026

- have not received any compensation or other benefits from the subject company or third party related to the specific recommendations or views in this report; and
- do not currently, but may in the future, act as a market maker in the financial instruments of the companies covered in the report.
- do not have any conflict of interest in the subject company as of the date of this report.

- Except as noted above, the subject company has not been a client of SCB India during twelve months preceding the date of distribution of this research report. Neither SCB India nor its Associates (i.e., affiliates/group companies) have received compensation for products or services other than investment banking, merchant banking or brokerage services from the subject company in the past twelve months.
- The principal research analyst(s) who prepared this report, members of the analysts' team, and members of their households are not an officer, director, employee or advisory board member of the companies covered in the report.
- Our Compliance officer / Grievance officer is Ms. Rupal Talati, who can be reached at +91-22-68421451, or MUM-BERNSTEIN-InCompliance@bernsteinsg.com / Scbin-investorgrievance@bernsteinsg.com / scbincompliance@bernsteinsg.com.
- Kindly refer to the Research investor charter and Research Most Important Terms & Conditions (MITC) available at (https://bernsteinresearch.in/)
- Disclaimer: Registration granted by SEBI, and certification from NISM, is in no way a guarantee of performance of the intermediary or provide any assurance of returns to investors. Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

To our readers in Switzerland: This document is provided in Switzerland by or through Bernstein Autonomous LLP, and is provided only to qualified investors as defined in article 10 of the Swiss Collective Investment Scheme Act ("CISA") and related provisions of the Collective Investment Scheme Ordinance and in strict compliance with applicable Swiss law and regulations. The products mentioned in this document may not be suitable for all types of investors. This document is based on the Directives on the Independence of Financial Research issued by the Swiss Bankers Association (SBA) in January 2008.

To our readers in the Middle East: Bernstein Autonomous LLP, DIFC branch has its principal office at Gate Village 06, DIFC, Dubai, UAE. Bernstein Autonomous LLP, DIFC branch is regulated by the Dubai Financial Services Authority (DFSA) with the registration number CL10040 and is provisioned for Arranging Deals in Investments and Advising on Financial Products. All communications and services are directed at Professional Clients and Market Counterparties only (as defined in the DFSA rulebook). Persons other than Professional Clients and Market Counterparties, such as Retail Clients, are not the intended recipients of our communications or services.

LEGAL

All research publications are disseminated to our clients through posting on the firm's password protected websites, bernsteinresearch.com and autonomous.com. Certain, but not all, research publications are also made available to clients through third-party vendors or redistributed to clients through alternate electronic means as a convenience.

This publication has been published and distributed in accordance with the Firm's policy for management of conflicts of interest in investment research, a copy of which is available from Bernstein Institutional Services LLC, Director of Compliance, 245 Park Avenue, New York, NY 10167. Additional disclosures and information regarding Bernstein's business are available on our website www.bernsteinresearch.com.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. This publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject any of the entities referenced herein or any of their subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction. This publication is based upon public sources we believe to be reliable, but no representation is made by us that the publication is accurate or complete. We do not undertake to advise you of any change in the reported information or in the opinions herein. This publication was prepared and issued by entity referred to herein for distribution to eligible counterparties or professional clients. This publication is not an offer to buy

on 30-Oct-2026

or sell any security, and it does not constitute investment, legal or tax advice. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with their professional advisors in light of their specific circumstances. The value of investments may fluctuate, and investments that are denominated in foreign currencies may fluctuate in value as a result of exposure to exchange rate movements. Information about past performance of an investment is not necessarily a guide to, indicator of, or assurance of, future performance.

This report is directed to and intended only for our clients who are "eligible counterparties", "professional clients", "institutional investors" and/or "professional investors" as defined by the aforementioned regulators, and must not be redistributed to retail clients as defined by the aforementioned regulators. Retail clients who receive this report should note that the services of the entities noted herein are not available to them and should not rely on the material herein to make an investment decision. The result of such act will not hold the entities noted herein liable for any loss thus incurred as the entities noted herein are not registered/ authorised/ licensed to deal with retail clients and will not enter into any contractual agreement/arrangement with retail clients. This report is provided subject to the terms and conditions of any agreement that the clients may have entered into with the entities noted herein. All research reports are disseminated on a simultaneous basis to eligible clients through electronic publication to our client portal.

The information in this report was prepared by Bernstein solely for the internal business use of our clients. Clients may store, display, analyze, reformat and print the information in this report for this limited use only. Clients may not copy, alter, create derivative works, resell, reverse engineer, commercially exploit, share or distribute any part of the information contained herein for any purpose without Bernstein's express written consent. These restrictions include extracting data or using the content to develop indices or other products. Further, you may not use this report, or any portion of this report, to train or finetune any third-party machine learning or artificial intelligence system, or as a prompt or input into any such system. You also may not, without Bernstein's express written consent, do any of the foregoing in connection with your own internal machine learning or artificial intelligence system.

Bernstein may use artificial intelligence tools in the preparation of its materials. Any such materials are reviewed by Bernstein's research analysts prior to publication.

This report has been prepared for information purposes only and is based on current public information that we consider reliable, but the entities noted herein do not warrant or represent (express or implied) as to the sources of information or data contained herein are accurate, complete, not misleading or as to its fitness for the purpose intended even though the entities noted herein rely on reputable or trustworthy data providers, it should not be relied upon as such. Opinions expressed are the author(s)' current opinions as of the date appearing on the material only and we do not undertake to advise you of any change in the reported information or in the opinions herein.

Any references to Societe Generale herein are purely factual, based upon publicly available information, and included for comparative purposes only. They do not constitute an opinion or recommendation with respect to the securities of Societe Generale.

This publication was prepared and issued by the entity referred to herein for distribution to eligible counterparties or professional clients. The information in this report is intended for general circulation and does not constitute an offer to buy or sell any security, investment, legal or tax advice nor a personal recommendation, as defined by any of the aforementioned regulators. It does not take into account the particular investment objectives, financial situations, or needs of individual investors. The report has not been reviewed by any of the aforementioned regulators and does not represent any official recommendation from the aforementioned regulators. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with advice sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any recipient of the recommendation, before the recipient makes a commitment to purchase the investment product.

The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The information in this report does not constitute, or form part of, any offer to sell or issue, or any offer to purchase or subscribe for shares, or to induce engagement in any other investment activity. The value of any securities or financial instruments mentioned in this report may fluctuate subject to market conditions. Information about past performance of an investment is not necessarily a guide to, indicative of, or assurance of future performance. Estimates of future performance mentioned by the research analyst in this report are based on assumptions that may not be realized due to unforeseen factors like market volatility/fluctuation. In relation to securities or financial instruments denominated in a foreign currency other than the clients' home currency, movements in exchange rates will have an effect on the value, either favorable or unfavorable. Before acting on any recommendations in this report, recipients should consider the appropriateness of investing in the subject securities or financial instruments mentioned in this report and, if necessary, seek independent professional advice.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or

on 30-Oct-2026

located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject the entities noted herein to any regulation or licensing requirement within such jurisdiction.

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

No part of this material may be reproduced, distributed or transmitted or otherwise made available without prior consent of the entities noted herein. Copyright Bernstein Institutional Services LLC Bernstein Autonomous LLP, BSG France S.A., Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited and Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社). All rights reserved. The trademarks and service marks contained herein are the property of their respective owners. Any unauthorized use or disclosure is strictly prohibited. The entities noted herein may pursue legal action if the unauthorized use results in any defamation and/or reputational risk to the entities noted herein and research published under the Bernstein and Autonomous brands.