



amazon

Amazon.com, Inc.

NASDAQ: AMZN

Husky Traders CD Coverage Spring '26



Kevin Wijaya
Sector Lead



Ashwit Mathur
Lead Analyst



Shriya Narayan
Senior Analyst



Madison Habben
Senior Analyst



Maximilian Widjaja
Senior Analyst



Neal Vedullapalli
Senior Analyst

We believe AMZN presents a compelling BUY opportunity

1

AWS cloud infrastructure leadership

2

Advertising expansion via partnerships

3

Supply chain services as new revenue engine

\$359.92 Target Price | BUY at 33% Upside

A photograph of the Amazon Spheres and the Amazon Tower in Seattle. The Spheres are in the foreground, showing their complex, geometric glass and steel structure with lush green plants visible inside. The Tower is a tall, modern building with a glass facade and a distinctive pattern of vertical lines, rising behind the Spheres against a clear blue sky.

Business overview



Today, AMZN is a retail and cloud computing leader



Amazon.com, Inc. is an American multinational **technology** and **e-commerce** conglomerate headquartered in Seattle, Washington. Founded by Jeff Bezos in 1994 as an online bookstore, Amazon has evolved into one of the most **diversified technology businesses in the world**

AMZN provides broad value across a range of customer experiences

Amazon Stores

AMZN focus on selection, value, and convenience for customers



Amazon Web Services

World's most comprehensive and broadly adopted cloud



Artificial Intelligence

From Alexa+ to AI-driven robotics optimizing fulfillment network



Entertainment

Empower millions of customers to enjoy massive selection of the best



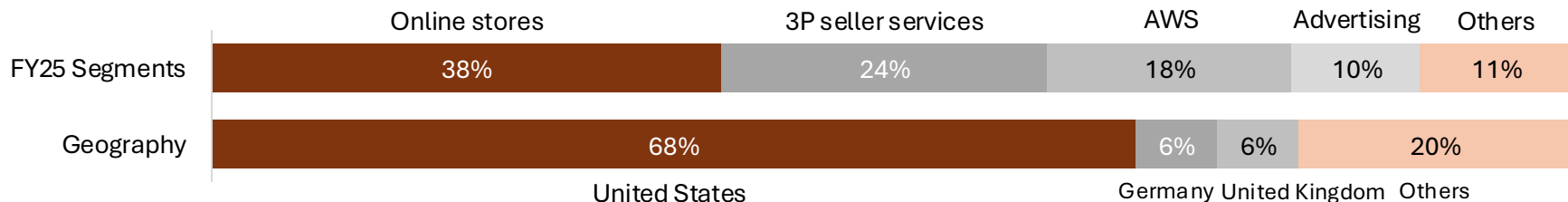
Devices and Alexa

Delivering a constellation of devices, services, and experiences



Operations

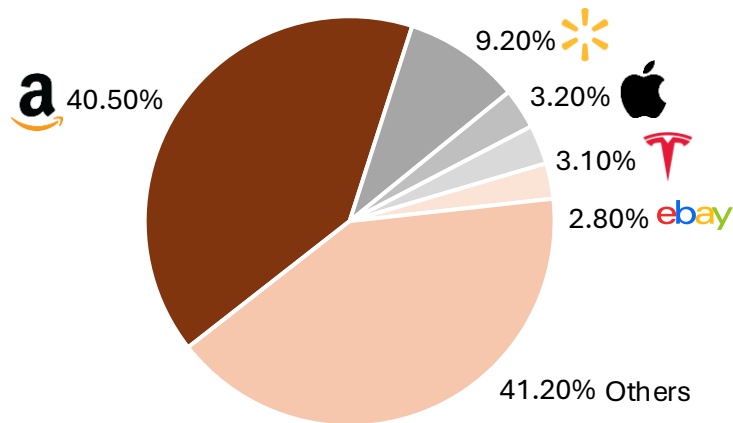
Operations and Customer Service are at the heart of AMZN's mission



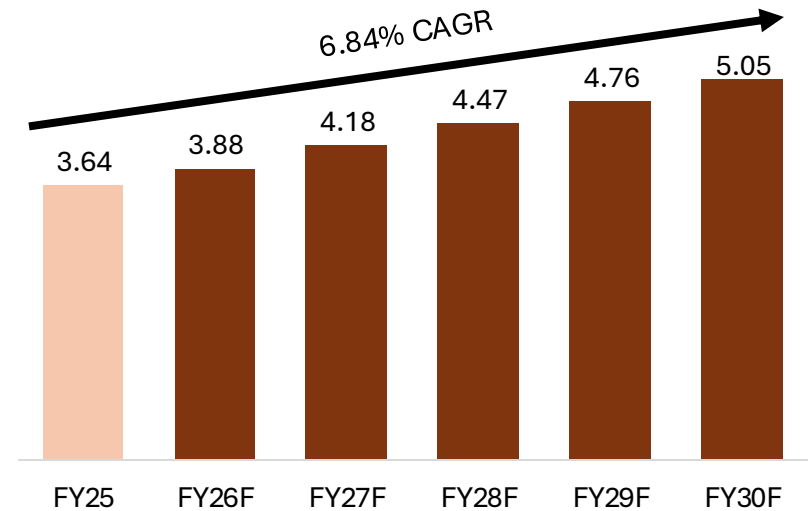
A photograph of the Amazon Spheres and the adjacent Amazon Tower in Seattle. The Spheres are in the foreground, featuring a complex, geometric glass and steel structure with a triangular pattern. Inside, lush green plants are visible. The Tower is a tall, modern skyscraper with a glass facade and a distinctive pattern of vertical and horizontal lines, rising into a clear blue sky.

Industry overview

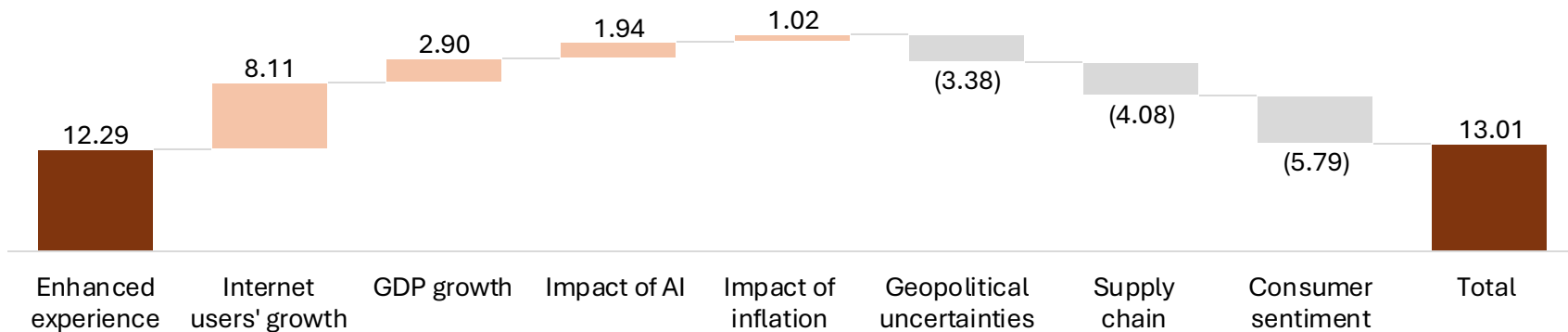
In FY25, AMZN claimed top spot among online retailers



Revenue in eCommerce growth projections (\$ Tn)

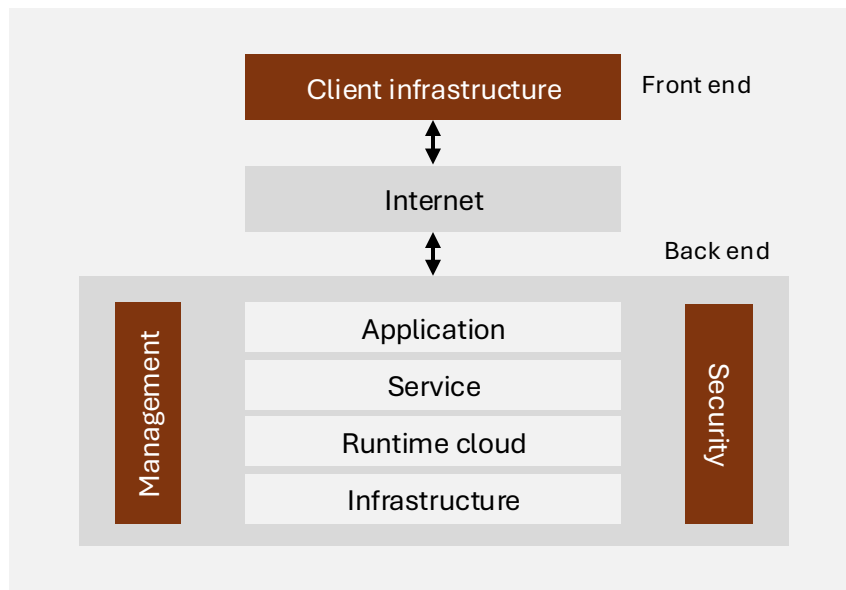


Market drivers for revenue change (in %)



What is cloud computing?

- Cloud computing has transformed how organizations build, deploy, and scale technology
- Instead of owning physical infrastructure, users access computing resources over the internet on demand

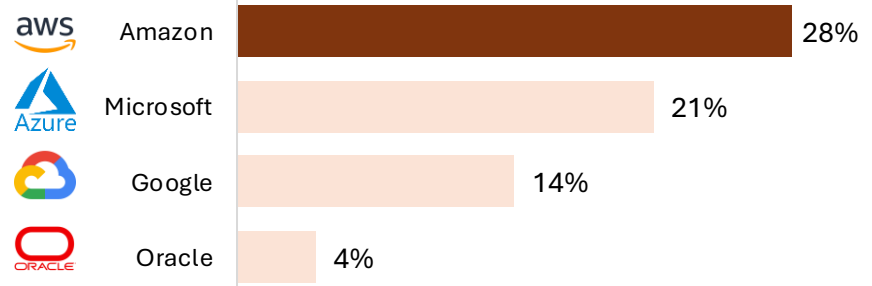


Benefits

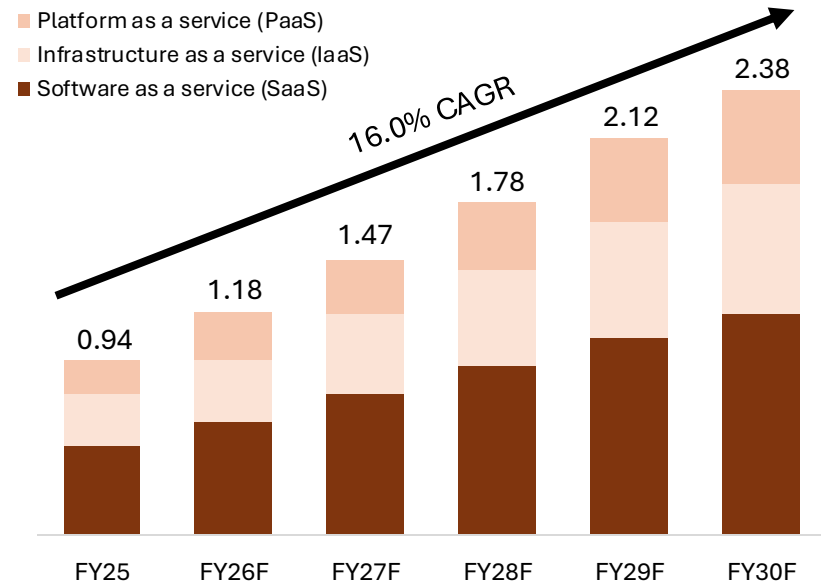
Eliminates the need for physical servers and upfront costs

Enables on-demand access to computing power

AMZN holds dominant lead in the cloud market



Thanks to AI, cloud is set for significant growth (\$ Tn)



Thesis I

AWS cloud infrastructure leadership



“Whenever possible, invent the next inflections” - Andy Jassy

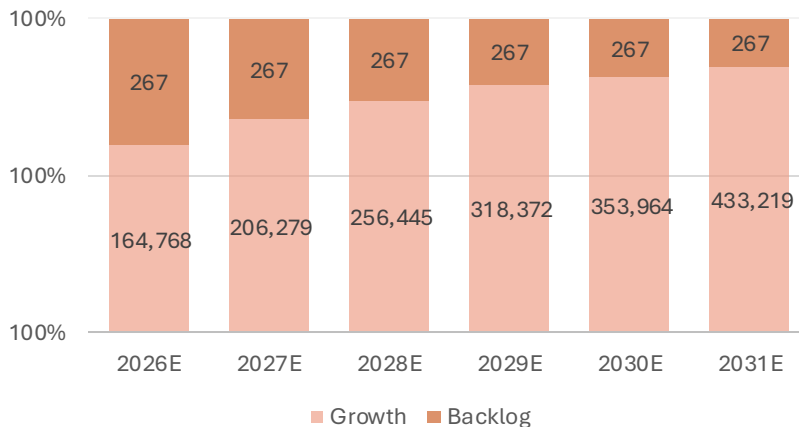


The Leader

- AWS holds a **28% market share** in the Cloud services industry, the leader by a 7% margin
- AWS's net sales has **increased 28% YOY in Q1** of 2026
- Capitalizing on **existing dominance** from Infrastructure as a Service (IaaS)

Backlog (in Millions)

\$244 billion in long-term contract backlog resistant to development risk with high switching costs



Partnerships & Deals



Bedrock Model Partnerships



In times of change, firms will rely on **well-established providers** with a reputation of **cutting-edge innovation**

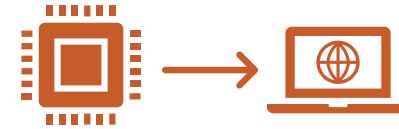
Data is at the forefront of AI innovation, where **Amazon dominates** through both **existing data streams** and cutting-edge **partnerships**

The Problem: Specialization

Increasing **optimization** for AI workloads in inferencing, training, deep learning, and more

Architecture shifting to accommodate AI integration

Requirement for **specialized hardware** that facilitates optimization



Graviton4

- General purpose, **high-performance CPU** used for agentic AI and complex workloads
- Primarily used for high performance computing workloads
- **Outperforms** AMD and Intel's comparable CPU chips
- Graviton5 available in preview

The Solution

Rising prices in specialized AI related chips

Changing development and innovation in the AI space

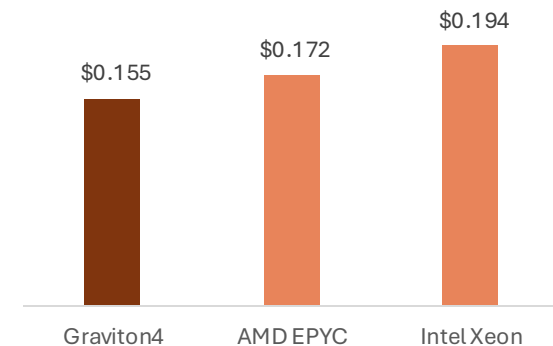
Importance of key partnerships to capitalize on chip production

Higher per dollar performance than competitors

Amazon controls the **full stack** from chip design to server architecture

Meta signs agreement for Graviton processor to be used for AI at scale

Cost per Run

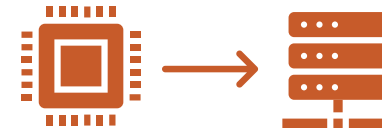


The Problem: Supply Chain Compression

High concentration with **90-100% company concentration** across multi-tier supply chain

Memory price growth of up **to 40% YOY** and Advanced Packaging lead up times up to **104 weeks**

Need for diversification in advanced packaging materials and **across companies**

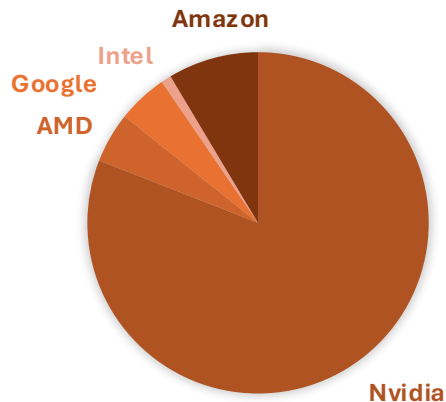


Trainium3

- A GPU chip primarily build for **AI model training** and AI workstreams
- Focused on delivering high performance with the **cheapest compute** and strong scalability
- Trainium3 is already in use, with Trainium4 anticipated for late 2026

The Solution

Chip Market By Share



HBM memory as the component with **fastest growing costs**

CoWoS causing lead times of up to 40 weeks and major price premiums

Concentration **driving costs** within modern AI GPUs

Trainium3 is built on efficient ARM architecture that **reduces need for HBM** in certain contexts

Trainium3 is built on CoWoS-R, the cheapest and most niche version

Trainium3 on AWS is **more efficient and cheaper** than NVIDIA alternatives

A photograph of the Amazon Spheres and a tall glass skyscraper. The Spheres are in the foreground, showing their complex geometric glass and steel structure with lush green plants visible inside. The skyscraper is in the background, featuring a facade of blue and gold-tinted glass panels.

Thesis II

Supply chain services as a new revenue engine

Amazon Web Services



1990s

Builds internal servers to run its own e-commerce business

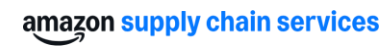
2006

Opens infrastructure to all businesses

2015

AWS becomes a disclosed segment, market re-rates the stock

Amazon Supply Chain Services



2000s

Builds fulfillment centers, freight, and last-mile delivery for itself

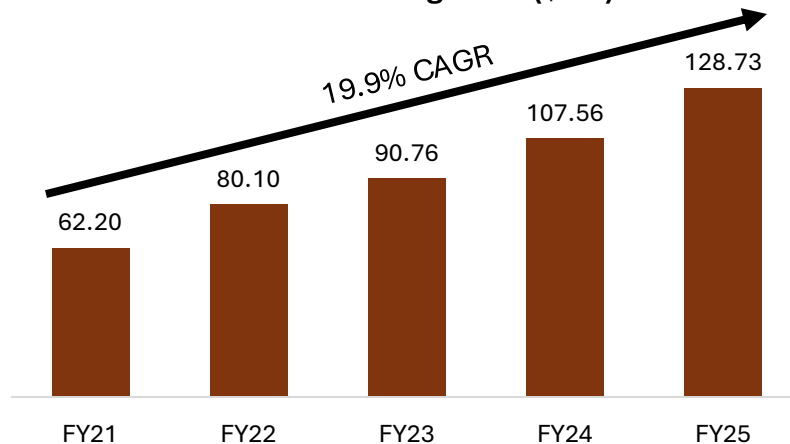
2023

Initial rollout of supply chain services to marketplace sellers only

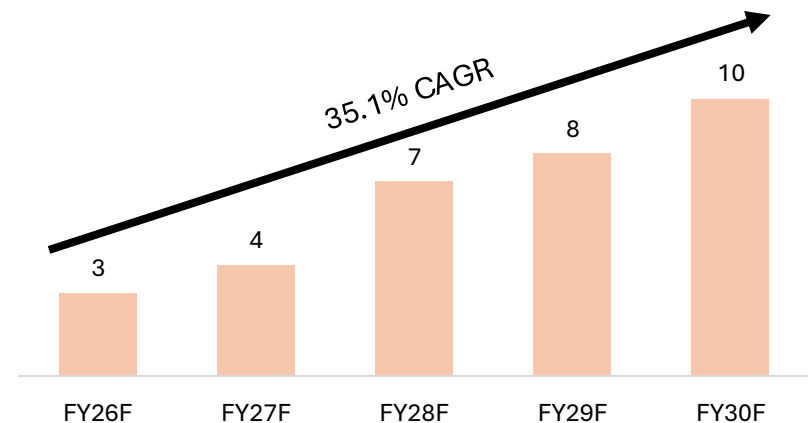
2026

ASCS open to all businesses

AWS Revenue growth (\$ Bn)



ASCS Projected growth* (\$ Bn)



* Based on estimates projecting 3% of addressable TAM by 2030

Similar to launch of AWS in 2006, the logistics network already exists, the monetization layer has just been switched on

Starting May 2026, AMZN is bringing its logistics network to businesses of all types and sizes

Freight



Ground

Full truckload, less-than-truckload, and intermodal transport

Air

Air freight for time-critical and specialized cargo shipments

Distribution and Fulfillment



Storage & distribution

Bulk storage with distribution

Multichannel fulfillment

Ship support for non-Amazon sales

Amazon store fulfillment

Fulfillment for Amazon orders

Parcel Shipping



Parcel shipping

Local, regional, and national delivery in 2-5 days

By the numbers

80K+
owned trailers

100+
aircraft

200+
Fulfillment centers
across the US

Key early adopters

P&G

3M



LANDS' END

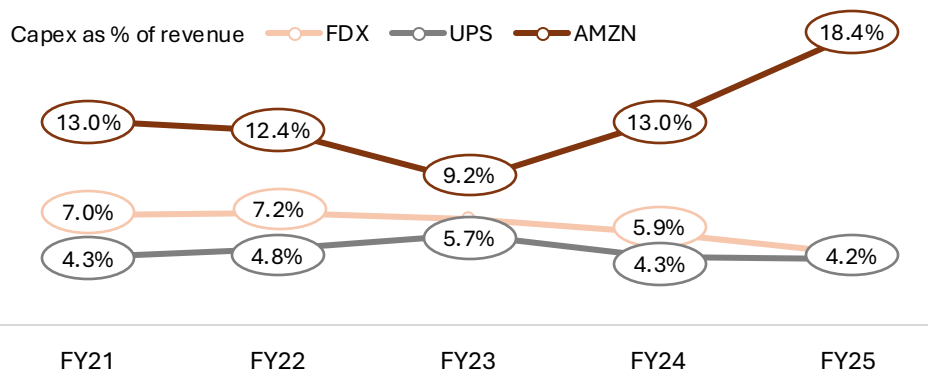
AMZN differentiates through a deeply integrated logistics network



AMZN has built one of the most vertically integrated supply chain networks across freight and warehouse

	 FedEx	 UPS	 DHL	 XPO	 Amazon
Freight	●	●	●	●	●
Warehouse	●	●	●	●	●
Last-mile	●	●	●	●	●
Pricing	●	●	●	●	●
Global	●	●	●	●	●

AMZN is investing far more aggressively into logistics and infrastructure than traditional peers



“AMZN has added value at every stage of our supply chain from cross-border logistics to warehouse storage and parcel shipping... There wouldn’t be a Finer Form without AMZN”

- Todd Bairstow, founder of Finer Form



A photograph of a modern building with a glass facade and a large, geodesic dome structure in the foreground, likely the Amazon Spheres in Seattle. The building has a grid-like pattern of windows and is set against a clear blue sky. The dome in the foreground is made of a complex network of white structural beams and glass panels, revealing lush green plants inside.

Thesis III

Advertising expansion via partnerships

What does AMZN ads offer?

AMZN ads is designed for businesses of all sizes, offering solutions to match different advertising objectives



Sponsored products

Self-service, cost-per-click ads for individual product listings appear in shopping results and on product detail pages



Sponsored Brands

Self service, cost-per-click ads for brands appear in shopping results, and feature a custom headline, brand logo, and multiple products



Display Ads

Enabling ads to reach audiences wherever they spend their time using relevant AMZN shopping interests



Streaming TV Ads

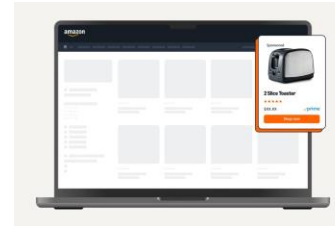
Designed for brands of any size to inspire and engage more customers on the largest screen in the home, risk free



Brand Stores

Free, multi page brand destinations on AMZN feature your product portfolio and tell your brand story

From streaming TV to out-of-home ad formats...



Sponsored products



Amazon live



Video ads



Out-of-home ads

... to support various advertising goalsx



Reach more customers



Increase traffic

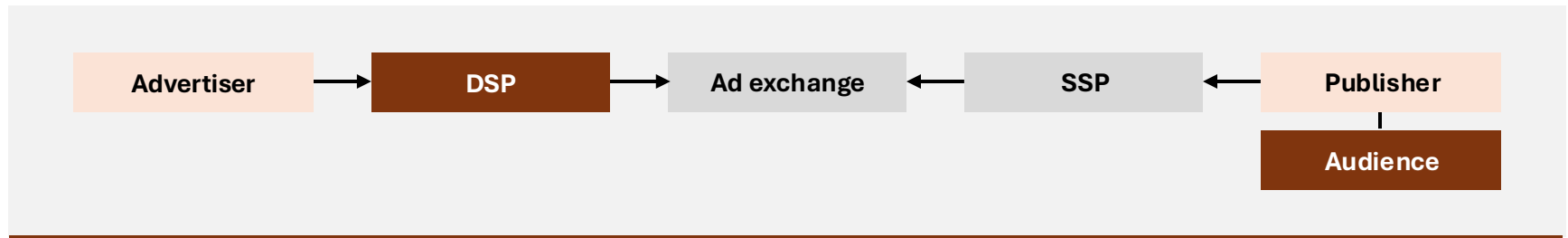


Increase sales



Improve customer loyalty

DSP is a crucial component of AMZN's ad ecosystem



Demand Side Platform (DSP) enables advertisers to reach audiences beyond AMZN

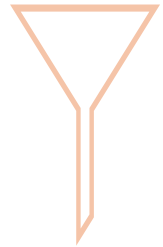


AMZN's authenticated graph now reaches 90% of US households through a single buy on AMZN DSP, with 42% greater unique audience reach and 3x ROAS vs fragmented buying

AMZN's unique ad strategy and competitive positioning



Full funnel strategy powered by closed-loop model



Awareness: Demand Side Platform utilizes real time bidding to purchase ad inventory instantly through data analytics

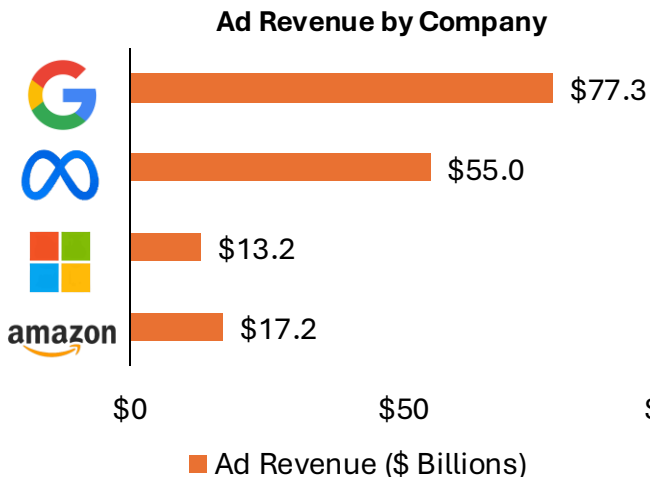
Consideration: AMZN's Brand Registry enables 3rd party brands to become sponsored on a cost per click basis

Conversion: Sponsored displays enables brands to prompt customers who previously viewed products to re-engage

Amazon Marketing Cloud (AMC)

Enables brands to **link** ad exposure and transactions within the AMZN ecosystem through utilizing **first party data**

AMZN's strategic positioning compared to competitors



Return on Ad Spend

Through DPS and AMC, AMZN's sellers target a **return on ad spending** of **4x-6x** compared to competitors' 3x-4x due to utilizing a closed loop advertising model

Conversion Rates

AMZN boasts an overall **10% conversion rate** compared to competitors' 2-4%; Prime boasts a **75% conversion rate**

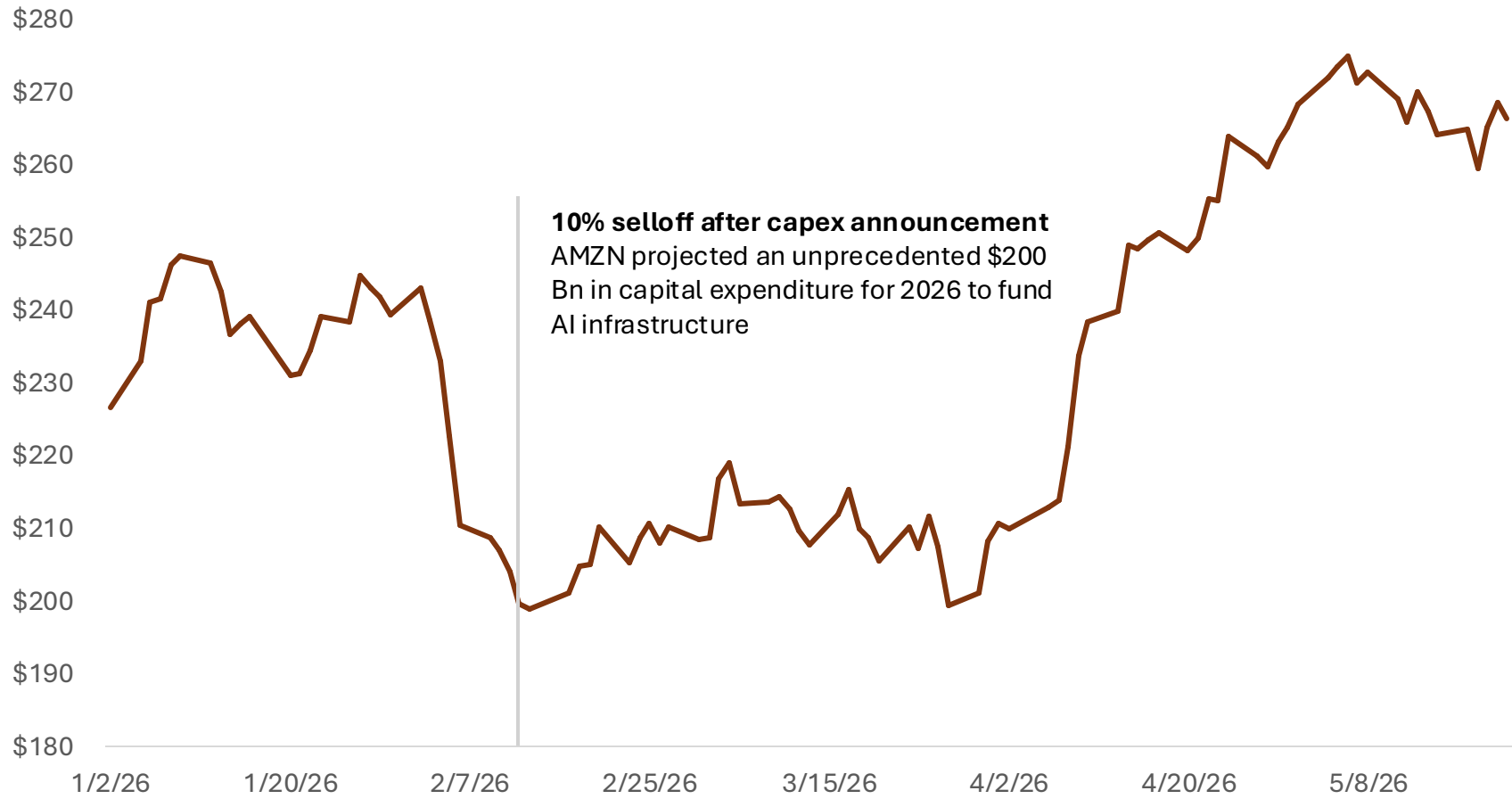
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Valuation and investment risks

Share price from sell-off to today



The time to buy is now because market concerns over elevated capex proved temporary as investors regained confidence in AMZN's long-term return on investment



- Thesis points drive top line growth leading to an upside of X%

Implied Share Price:

\$346.72

Upside:

27.86%

9.58%

CoE

3.71%

CoD

9.48%

WACC

1.17

Beta

2.5%

PGR

- Thesis points drive top line growth leading to an upside of X%

Investment thesis	Metric impacted	Total revenue uplift (2026-2031)
AI & Cloud Dominance	Revenue	~1.44 Billion
Advertising Growth Driver	Revenue	~8.96 Billion
Fulfillment Infrastructure	Revenue	~1.00 Billion

Implied Share Price: \$346.72 Upside: 27.86%	9.58% CoE	3.71% CoD	9.48% WACC	1.17 Beta	2.5% PGR
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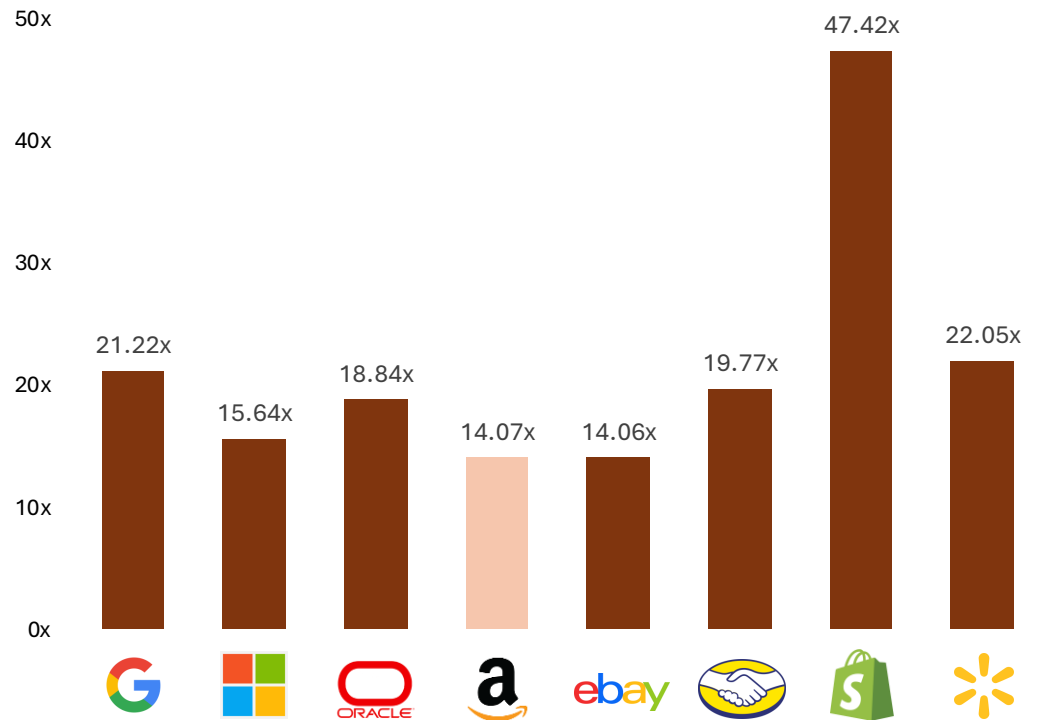
Hyperscalers



Online Retail



FY1 EV/EBITDA Multiples



Implied Share Price:

\$407.07

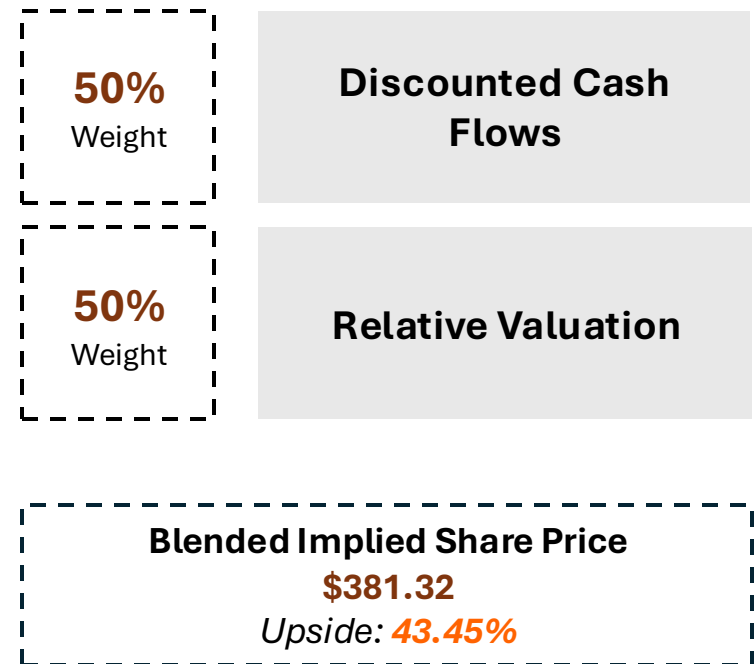
Upside:

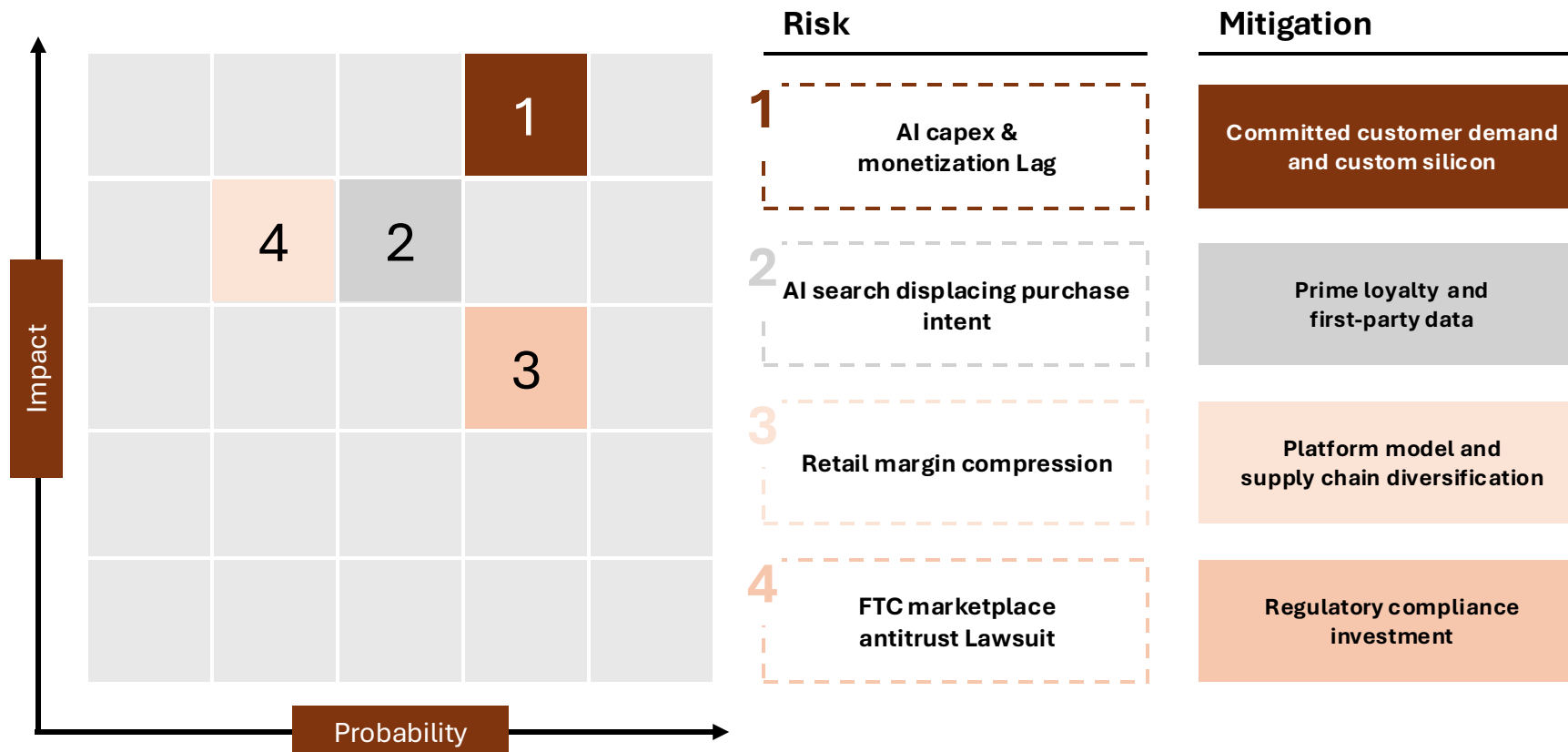
50.12%**9.58%****CoE****3.71%****CoD****9.53%****WACC****1.17****Beta****10.51x****Multiple**

Valuation Football Field



Key Aspects of the Valuation Method





A photograph of the Amazon Spheres and the Amazon Tower in Seattle. The Spheres are in the foreground, featuring a complex, geometric glass and steel structure with a triangular pattern. Inside, lush green plants are visible. The Tower is a tall, modern skyscraper with a glass facade and a distinctive pattern of vertical lines, rising behind the Spheres against a clear blue sky.

Catalysts

- The exclusive launch of Anthropic's Mythos model through Bedrock will deepen AWS's moat and drive revenue.



- AWS's managed platform for enterprise AI
- Gives access to leading foundation models through a single API
- Built into existing AWS infrastructure

- Anthropic's most advanced AI model
- Built for cybersecurity and complex reasoning
- Available exclusively through Amazon Bedrock, driving enterprise adoption of AWS

Amazon and Anthropic have a **multi-billion dollar strategic partnership** where AWS serves as Anthropic's **primary** cloud provider and Bedrock as the **exclusive** platform for deploying Claude.

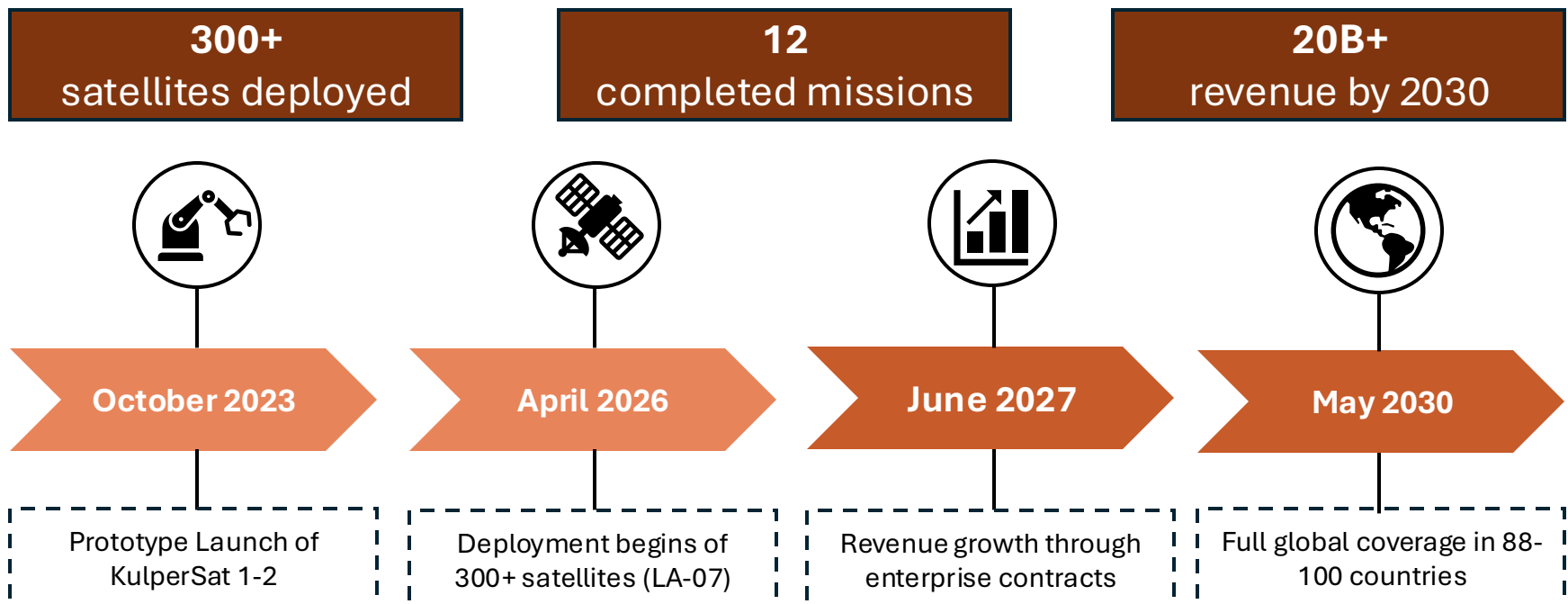
Increased Bedrock adoption from Mythos will accelerate AWS revenue growth, expanding margins and driving AMZN stock higher

Launch of Amazon's Project LEO



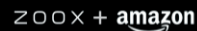
- Amazon's expansion of Project Leo is estimated to open up a new revenue stream by mid 2026.

Amazon Leo is a project designed to launch **3,200** low Earth orbit satellites to provide **high-speed internet** to underserved regions worldwide, **competing** directly with **Starlink** while doubling as a backdoor for **AWS cloud expansion**.



Amazon Leo opens a massive new high-margin revenue stream that the market hasn't fully priced in, making it a compelling long-term bull case for AMZN on top of AWS.

- Zoox's monetization and expansion if permitted could unlock a new revenue stream for Amazon.



In June of **2020**, Amazon **acquired** the autonomous vehicle company Zoox for \$1.2 billion due to their conviction in the growth of the autonomous vehicle market.



Since then, Zoox has increased its customer base but has **failed to monetize** due to **regulatory restrictions** in California and Nevada. Zoox has filed a 555 **exemption** that, if granted, will allow Zoox to **monetize** by the end of **2026**.



Zoox has entered a **multi-year partnership** with the Las Vegas Sphere as their **official ride-hailing partner**, accelerating total Zoox riders.



Zoox's planned expansion into **Miami** and **Austin** signals that the regulatory environment is **loosening** and the company is **confident** enough in its technology to push into new markets before commercial permits are even finalized

Geographic Expansion



Regulatory Permission



Revenue Growth

1

AWS cloud infrastructure leadership

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Advertising expansion via partnerships

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Logistics network scale advantage

BUY

12-month stock chart



A photograph of the Amazon Spheres and the adjacent tower at the Amazon campus in Seattle. The Spheres are in the foreground, featuring a complex, geometric glass and steel structure with a triangular pattern. Inside, lush green plants are visible. The tower is a tall, rectangular building with a facade of blue and gold panels, rising behind the Spheres against a clear blue sky.

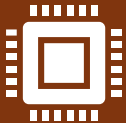
Appendix

- As the underlying architecture of cloud shifts, AWS's hardware offerings make it an attractive choice for partnership.



Optimization

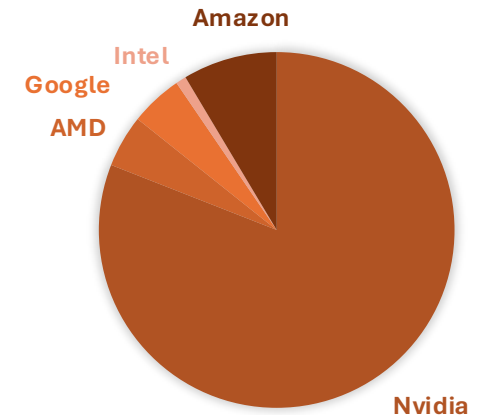
- Increasing optimization** for AI workloads in inferencing, training, deep learning, and more
- Requirement for **specialized hardware** that facilitates optimization
- Architecture shifting** to accommodate AI integration



Hardware

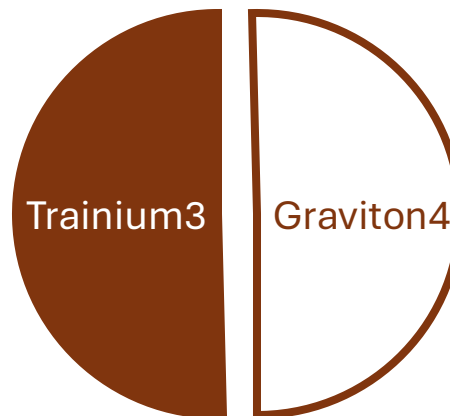
- AI hardware **CAGR at 25.1%** from 2025 to 2033
- Chip design caters to **optimization** in different workloads
- Market for chips is **expected to double** in the next decade
- Part of service package, **potential expansion into sales**

Chip Market By Share



Amazon's Unique Value Proposition: AI Processing Chips with Price Performance

- Directly competes with Nvidia's AI GPU chips
- Trainium2 had **30% better price performance** than comparable GPUs
- Built on efficient **ARM architecture**
- Focused on delivering **cheapest compute** for high scalability
- Already in use, with Trainium4 anticipated for late 2026



- General purpose, **high-performance CPU**
- Graviton4 has **75% more bandwidth** and 30% better performance than 3
- Powerful compute and diverse capabilities
- Outperforms** AMD and Intel comparable chips
- Graviton5 available in preview