## Executive Summary

The following report is an analysis of Amazon (AMZN) for the years from 2017-2019. It is broken down into five sections; liquidity, profitability, solvency/debt management, asset utilization, investor/market. It is produced from topic specific ratios.

## Liquidity

The liquidity ratios are built to analysis whether said company can meet its current debt obligations. Through the years the current ratio and quick ratio grew due to their receivables holding it up. The cash ratio fell from 2018 – 2019 by 11.47% as accounts payable and accrued expenses grew more than the growth of the cash itself. The biggest movers were inventory days and working capital. Inventory days fell by 94.35% before recovering by 147.87%. Working capital grew 189.97% and 27% over the years.

## Profitability

Profitbility ratios measure how profitable the company is throughout the period analysed. Overall most of it was mostly positive, with the growth from 2017- 2018 outperforming 2018 – 2017. EBITDA grew 71.11% and 29.52% through the years. Through analysis we can see that the net margin grew significantly between the first two years (130.4%) where it then settled with a marginal correction of -4.49%.

## Solvency/debt management

Solvency/debt management ratios are to show how the company manages with their long-term debt. With debt-to-equity ratios being 1.79, 1.30 and 1.40 for years 2017-2019, it shows that it is quite stable and given the life cycle of the business this is positive for AMZN. The free cash flow has increased over time as well by 56.15% and 31.56%. This is a positive indication of overall growth in income and a decrease in expenses. It shows that AMZN is getting more efficient.

## Asset utilization

Asset utilization ratios represent how specific assets are turning over within the company, this includes, total assets, fixed assets, inventory and also what is the return on the assets. Both total and fixed assets are turning over more than once a year however growth has declined in from the year 2018 to 2019. Return on assets through the years have all been positive however there was a decline in the past year.

## Investor/market

Investor/market ratios are a reflection of value in relation to share price. The growth of ROE in 2018 was 111.31%, which is the second biggest mover in this section to ROA which was 168.12%. All three return ratios (ROE, ROCE, ROA) fell from 2018 -19.27%, -19.99%, -16.93%.