Comprehensive Financial Analysis Report: Apple Inc. vs. Amazon.com Inc. (2022–2024)

This report addresses a financial analysis task involving two major corporations: Apple Inc. and Amazon.com Inc. The assignment required the collection and analysis of financial data from authoritative sources such as SEC 10-K filings, Yahoo Finance, and Google Finance. The core objectives were to:
• Extract key data from income statements, balance sheets, and cash flow statements.
• Calculate and interpret liquidity, profitability, efficiency, and solvency ratios.
• Compare trends across companies and timeframes.
• Identify strengths, weaknesses, and contextual reasons for financial differences.

This report integrates the original data collected with comprehensive analysis, supported by references to authoritative financial documents.

# Step 2: Collect Financial Data

All financial data were sourced directly from each company's annual 10-K filings accessed via the SEC’s EDGAR database, ensuring the credibility and accuracy of reported values. Additional trend data was reviewed on Yahoo Finance and Google Finance.

## Apple Inc. Financial Data (2022–2024)

Source: SEC 10-K filings [1]

• Income Statement:
 - 2022: Revenue $394.33B, Net Income $99.80B, Operating Income $119.44B
 - 2023: Revenue $383.29B, Net Income $97.00B, Operating Income $114.30B
 - 2024: Revenue $391.04B, Net Income $93.74B, Operating Income $123.22B

• Balance Sheet:
 - 2022: Current Assets $135.41B, Current Liabilities $153.98B, Total Assets $352.76B, Total Liabilities $302.08B, Equity $50.67B
 - 2023: Current Assets $143.57B, Current Liabilities $145.31B, Total Assets $352.58B, Total Liabilities $290.44B, Equity $62.15B
 - 2024: Current Assets $152.99B, Current Liabilities $176.39B, Total Assets $364.98B, Total Liabilities $308.03B, Equity $56.95B

• Cash Flow Statement:
 - 2022: Operating Cash Flow $122.15B
 - 2023: Operating Cash Flow $110.54B
 - 2024: Operating Cash Flow $118.25B

## Amazon.com Inc. Financial Data (2022–2024)

Source: SEC 10-K filings [1]

• Income Statement:
 - 2022: Revenue $513.98B, Net Income -$2.72B, Operating Income $12.25B
 - 2023: Revenue $574.79B, Net Income $30.43B, Operating Income $36.85B
 - 2024: Revenue $637.96B, Net Income $59.25B, Operating Income $68.59B

• Balance Sheet:
 - 2022: Current Assets $146.79B, Current Liabilities $155.39B, Total Assets $462.68B, Total Liabilities $316.63B, Equity $146.04B
 - 2023: Current Assets $172.35B, Current Liabilities $164.92B, Total Assets $527.85B, Total Liabilities $325.98B, Equity $201.88B
 - 2024: Current Assets $190.87B, Current Liabilities $179.43B, Total Assets $624.89B, Total Liabilities $338.92B, Equity $285.97B

• Cash Flow Statement:
 - 2022: Operating Cash Flow $46.75B
 - 2023: Operating Cash Flow $84.95B
 - 2024: Operating Cash Flow $115.88B

# Step 3: Financial Ratio Calculations

The following financial ratios were calculated using data from the 10-K filings for each company:

## Amazon Financial Ratios (2022–2024)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Year | Liquidity | Net Profit Margin | ROA | ROE | Efficiency | Equity Ratio | Debt Ratio |
| 2022 | 0.94 | -0.53% | 0.59% | 1.86% | 1.11 | 2.17 | 0.68 |
| 2023 | 1.05 | 5.29% | 5.77% | 15.08% | 1.09 | 1.61 | 0.62 |
| 2024 | 1.06 | 9.29% | 9.48% | 20.72% | 1.02 | 1.19 | 0.54 |

## Apple Financial Ratios (2022–2024)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Year | Liquidity | Net Profit Margin | ROA | ROE | Efficiency | Equity Ratio | Debt Ratio |
| 2022 | 0.88 | 25.31% | 28.30% | 197.00% | 1.12 | 5.96 | 0.86 |
| 2023 | 0.99 | 25.30% | 27.50% | 156.10% | 1.09 | 4.67 | 0.82 |
| 2024 | 0.87 | 23.97% | 25.69% | 164.58% | 1.07 | 5.41 | 0.84 |

# Step 4: Analyze and Compare the Companies

## Liquidity Comparison

Amazon showed a consistent improvement in liquidity ratios, surpassing 1.0 in 2023 and 2024. This suggests better short-term financial stability. Apple remained below the 1.0 benchmark in all three years, indicating tighter short-term asset positions. However, this might reflect strategic capital allocation rather than poor performance.

## Profitability Comparison

Apple demonstrated superior profitability with margins consistently above 23%. Despite a declining trend, its ROE and ROA remain significantly higher than Amazon’s. Amazon has shown an impressive turnaround, moving from negative margins in 2022 to a 9.29% profit margin in 2024.

## Efficiency Comparison

Both companies had similar asset turnover ratios, with Apple showing slightly better consistency. Amazon’s slight decline suggests increasing capital investments. Apple’s stable ratio highlights efficient use of its asset base.

## Solvency Comparison

Amazon is trending toward lower financial risk by reducing leverage each year. Apple, on the other hand, maintains high leverage, possibly to fuel shareholder returns and expansion, but this also increases long-term financial risk.

# Industry-Specific Trends & Strategic Differences

Tech companies like Apple generally enjoy higher margins due to digital products, strong branding, and ecosystem lock-in. Retailers like Amazon operate on thinner margins, requiring efficient asset turnover and operational scalability.

Apple’s business model emphasizes premium pricing and hardware-software integration, resulting in strong profitability metrics. Amazon focuses on scale and volume, using AWS (Amazon Web Services) to offset its lower retail margins.

# Final Takeaway

Amazon has shown strong financial recovery with increasing profitability, improved liquidity, and lower leverage, reflecting operational discipline and evolving strategy.
Apple remains dominant in profitability and efficiency but exhibits signs of declining liquidity and sustained high leverage, which could pose risks in less stable economic environments.

# References

[1] U.S. Securities and Exchange Commission (EDGAR Database): https://www.sec.gov/edgar

[2] Apple Inc. and Amazon.com Inc. Annual Reports (10-K Filings), Fiscal Years 2022–2024

[3] Yahoo Finance, https://finance.yahoo.com

[4] Google Finance, https://www.google.com/finance