The current ratio indicates the ability for companies to pay off short term debts. Any current ratio value that is less than 1 indicates the company might struggle to pay off its short-term debts. Amazon from 2017 to 2019 has a current ratio above 1.

The quick ratio shows company capabilities to pay for its current liabilities without worrying about selling its inventory. The higher the ratio better for the company. The ideal quick ratio should be 1:1, and unfortunately, Amazon in every year is less than 1. Indicating Amazon may not be able to pay out its full liabilities in the short term.

The cash ratio shows if the company can look out and deliver their short-term requirement like paying for the salary. 0.5 to 1 is the preferred cash ratio. Amazon has shown in from its financial figures to be between those number in from 2017 till date.

Inventory turnover between 4 to 6 is considered the ideal ratio of turnover. With Amazon, they have a high inventory level, which means that the company has good management skills. Receivable turnover shows how well and quickly the company is collecting their debts. A lower ratio means companies are collecting their debt faster. Interestingly, Amazon has a ratio decrease; from 27days in 2017 to 26days in 2019. Amazon has a healthy payable day's period and are all above 100days from 2017 to 2019. This suggests that Amazon has 100 days period to settle its suppliers which is fairly decent.

As an online marketplace where thousands of vendors are hosted on site, Amazon’s payable days is typically higher than other companies as it is part of its 90-day credit policy. As a result of Amazon’s nature of business, its payable balances are higher than its inventories and receivables where it holds inventory on behalf of its vendors. Therefore, working capital is negative and so is the trading cycle. On a year over year basis the number has worsened in 2019, but can be supported with the argument that Amazon has started its own fulfilment services and is a fast growing company.

On profitability, Amazon has consistently delivered 35%-40% margins on gross profit from 2017-2019 but it's worrisome that the Net Profit margins have all been less than 5% in these years. This is due to the consistent rise in its operating cost, with Technology and content (35%) representing a chunk of these costs.

It is notable that Amazon’s Technology & content and Sales & marketing have seen sharp increases, indicating the heavy spend on AWS and Prime Video content. While the e-commerce segment is seen to be normalizing post the Covid-19 boom, sales reflect the increasing global inflation levels.

There is no information on dividend earnings as the company does not pay out dividend. Amazon since inception has focused on long term growth of the company and maximizing the wealth of its shareholders rather than declaring yearly dividend.

The return on equity is the company's ability to generate income from their equity. A ratio from 0.15 to 0.20 is considered to be good. Amazon has managed to deliver in both 2018 and 2019. Return on Assets is related to how much success the company is having based on assets. The year 2018 has the highest return on assets with 6%.

Amazon’s long-term liabilities have been increasing over the years as the company has increased its Financial lease commitments to facilitate the number of new fulfilment centres opened over the last year. Although the long-term debt remain rather steady, financial lease commitments have dramatically increased which has increased the debt service burden as well. However, the company has adequate levels of interest coverage and free cash flow indicating its financial health. However, the increase in the debt level would also mean that the company’s borrowing capacity in future is strained where it might have to pay higher interests to secure more debt.

Amazon has a large portion of goodwill in its asset base, where the Fixed asset turnover is almost three times higher than the total asset turnover. The goodwill and intangibles are manly as a result of acquisitions in addition to the increased R&D spending on AWS which we will have to closely watch for future profitability.

To sum up, Amazon has been the top online retailer due to how they operate their strategy efficiently. Ever since the move to online, Amazon has seen consistent increases year by year. However, the low net income and the increased liability might become an issue. But due to Amazon's commitment to investing in long-term projects and acquiring big enterprises, it is likely that Amazon can make up for any expected losses in the interim. There is no denying the progress Amazon has made, with the new project plans and new manufacture production they are creating, Amazon has shown no sign of slowing down.

ROE, ROA and ROCE all are within the health territory, however, have declined compared to previous year. Furthermore, given Amazon’s valuations, one would expect the ratios to be better as there are many other smaller companies with better returns than Amazon, however, it is notable that these valuations are backed by Amazon’s expansion.