



AMAZON.COM, INC. FY 2025

Earnings Report Update

**PREPARED BY:
SAVEST RESEARCH**

Amazon.com, Inc. is a global e-commerce and technology company focused on online and physical retail, third-party marketplace services, and cloud computing through Amazon Web Services (AWS). The company also generates revenue from digital subscriptions, advertising, and device ecosystems, serving consumers, enterprises, developers, and content creators worldwide.

GUIDANCE

Net sales are expected to be between \$173.5 billion and \$178.5 billion in the first quarter of 2026

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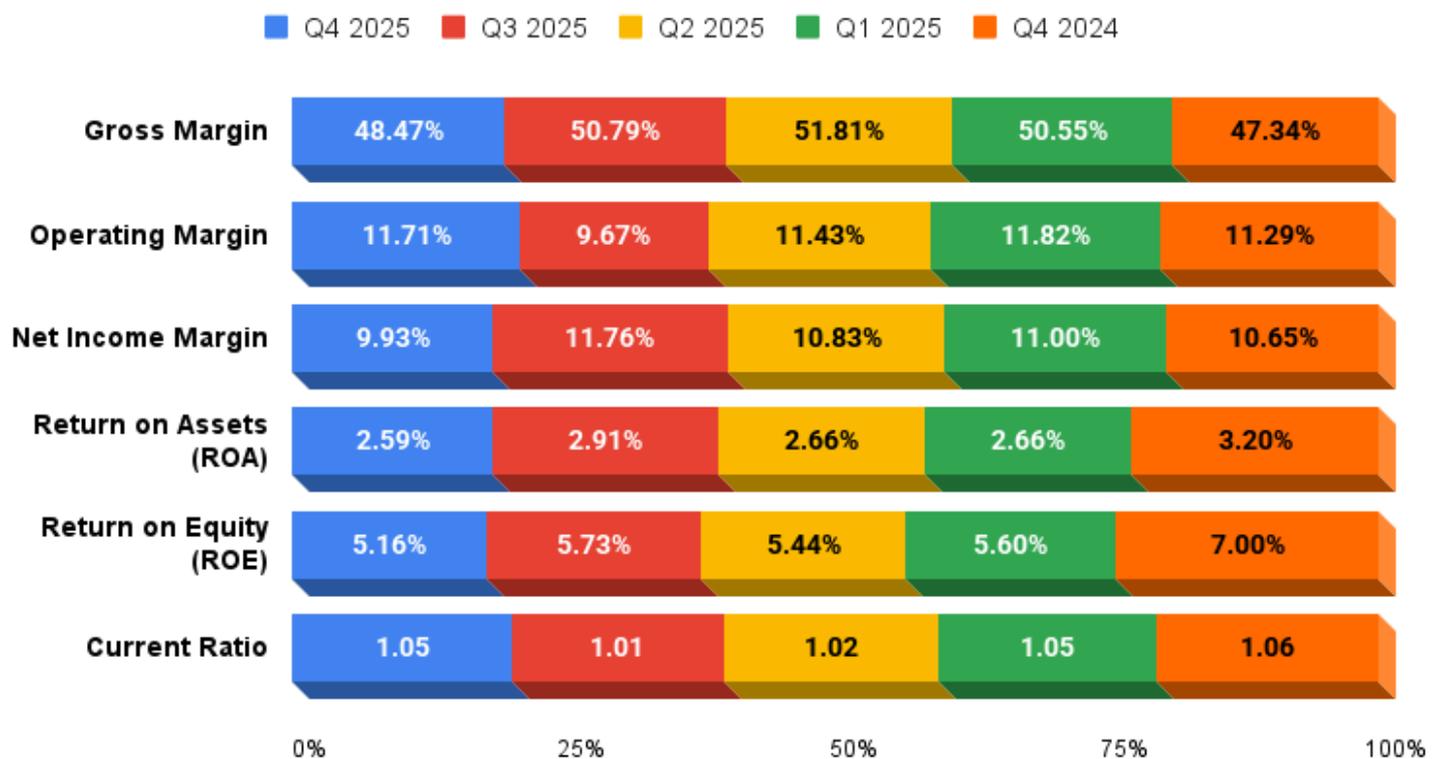
Andy Jassy, President and CEO, highlighted strong momentum, with AWS up 24%, advertising up 22%, and solid store growth globally, alongside triple-digit chip growth. He attributed performance to rapid innovation and customer focus, adding that Amazon plans to invest about \$200 billion in 2026 to pursue major opportunities in AI, chips, robotics, and satellites for long-term value creation.

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Expectation Analysis

| USD (\$) | Q4 2025 | ESTIMATE | BEAT/MISS |
|----------------|---------|----------|-----------|
| REVENUE | 213.00B | 211.00B | 1.00% |
| EBITDA | 50.10B | 48.80B | 2.80% |
| EBIT | 25.00B | 24.60B | 1.50% |
| EPS (adjusted) | 1.95 | 1.94 | 0.20% |

Margin and Efficiency Analysis



| Revenue/Profitability Summary | | | | |
|-----------------------------------------|----------------|------------|-----------|--------|
| Million USD(\$), except EPS | FY 2025 | Q4 2024 | YOY | |
| Total sales | 716,924.00 | 213,386.00 | 12.38% | |
| Gross Profit | 360,510.00 | 103,427.00 | 15.67% | |
| Operating profit | 79,975.00 | 24,977.00 | 16.59% | |
| Income before tax | 97,311.00 | 26,605.00 | 41.82% | |
| Net income | 77,670.00 | 21,192.00 | 31.09% | |
| Earnings per share | 7.17 | 1.95 | 29.66% | |
| Cost/Expenses Summary | | | | |
| Million USD(\$) | FY 2025 | Q4 2024 | YOY | |
| Cost of sales | 356,414.00 | 109,959.00 | 9.23% | |
| Fulfillment | 109,074.00 | 30,826.00 | 10.73% | |
| Technology and infrastructure | 108,521.00 | 29,399.00 | 22.56% | |
| Sales and marketing | 47,129.00 | 14,264.00 | 7.34% | |
| General and administrative | 11,172.00 | 2,704.00 | -1.65% | |
| Income tax expense | 19,087.00 | 4,946.00 | 106.01% | |
| Cash Flow Summary | | | | |
| Million USD(\$) | FY 2025 | Q4 2024 | YOY | |
| Net cash from operations | 139,514.00 | 54,459.00 | 20.40% | |
| Net cash from investing | -142,545.00 | -47,245.00 | -51.09% | |
| Net cash from financing | 9,661.00 | 12,291.00 | 181.79% | |
| Cash balance | 90,106.00 | 90,106.00 | 9.47% | |
| Segment Performance | | | | |
| Cost/Expenses Summary | FY 2025 | Q4 2025 | % Revenue | YOY |
| North America | 426,305.00 | 127,083.00 | 59.46% | 10.02% |
| International | 161,894.00 | 50,724.00 | 22.58% | 13.29% |
| AWS | 128,725.00 | 35,579.00 | 17.96% | 19.68% |
| Key Items of Financial Position Summary | | | | |
| Billion USD(\$) | 31st Dec, 2025 | QOQ | YOY | |
| Current assets | 229,083.00 | 16.36% | 20.02% | |
| Non-current assets | 588,959.00 | 10.90% | 35.70% | |
| Total assets | 818,042.00 | 12.38% | 30.91% | |
| Current liabilities | 218,005.00 | 11.69% | 21.50% | |
| Non-current liabilities | 188,972.00 | 15.87% | 18.48% | |
| Total liabilities | 406,977.00 | 13.59% | 20.08% | |
| Total equities | 411,065.00 | 11.21% | 43.74% | |

Performance Highlights

- Amazon's total net sales in Q4 2025 reached \$213.4 billion, representing a 14% year-over-year increase from \$187.8 billion in Q4 2024. Excluding the \$2.8 billion favorable impact from foreign exchange, underlying growth was 12%, reflecting robust expansion across all business segments and strong global customer demand.
- North America net sales rose 10% year-over-year to \$127.1 billion in Q4 2025, supported by accelerated online retail demand, growth in Amazon Stores, and higher subscription service adoption. For FY2025, North American sales reached \$426.3 billion, maintaining a 10% growth rate driven by ongoing Prime adoption.
- International net sales increased 17% year-over-year in Q4 2025 to \$50.7 billion, or 11% on a currency-neutral basis. Full-year international sales advanced 13% to \$161.9 billion, with underlying growth of 10% excluding FX effects.
- AWS delivered its fastest quarterly growth in over three years, with Q4 net sales up 24% year-over-year to \$35.6 billion. Operating income reached \$12.5 billion, a 17% increase from Q4 2024, driven by strong adoption of Trainium and Graviton chips, expansion of AI-focused services such as Amazon Bedrock and frontier AI agents, and rising enterprise cloud demand.
- Consolidated operating income in Q4 2025 was \$25.0 billion, up 18% from \$21.2 billion in Q4 2024. Excluding three special charges totaling \$2.44 billion, adjusted operating income would have been \$27.4 billion. Full-year operating income rose 17% to \$79.98 billion, supported by scale efficiencies, higher-margin AWS growth, and cost management across fulfillment and technology infrastructure segments.
- Amazon's net income increased to \$21.2 billion in Q4 2025, or \$1.95 per diluted share, compared with \$20.0 billion, or \$1.86 per share, in Q4 2024. For FY2025, net income grew 31% to \$77.7 billion, translating to \$7.17 per diluted share, up from \$5.53 in 2024.
- Investments in property and equipment rose sharply to \$128.3 billion for the trailing twelve months, a 65% increase from 2024, reflecting strategic investments in AI infrastructure, fulfillment networks, robotics, and satellite internet.
- Amazon advanced its AI strategy with key developments across AWS, Amazon Connect, and retail operations. Launches included Trainium3/4 and Graviton5 chips, more than 20 AI models on Amazon Bedrock, Nova Forge for enterprise AI customization, frontier AI agents, and the Rufus shopping assistant.

Concerns Raised

- Amazon's aggressive investment in property, fulfillment, AI infrastructure, and satellite networks increased capital expenditures by \$50.7 billion year-over-year, putting pressure on free cash flow, which fell 71% to \$11.2 billion. Sustained high CapEx could limit near-term flexibility and requires disciplined execution to ensure long-term return on invested capital.
- AWS accounted for 18% of net sales but contributed over 57% of operating income, highlighting earnings concentration risk. Any slowdown in cloud adoption, pricing pressure, or competition from Microsoft Azure and Google Cloud could disproportionately impact overall profitability.
- While international growth remains strong, operating income in this segment declined to \$1.04 billion in Q4 2025 from \$1.32 billion in Q4 2024. Challenges include currency volatility, regulatory constraints, logistics complexity, and competitive pricing pressures in emerging markets, which could weigh on margins and incremental revenue.
- Amazon's rapid expansion across AI, retail, and content introduces execution risk. Maintaining leadership in AI chips, frontier AI agents, and ultra-fast delivery requires continuous innovation, capital allocation efficiency, and operational discipline.

OUR INSIGHT

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Amazon's growth in FY 2025 was driven by robust expansion across North America, International markets, and AWS. Operating and net income improved significantly, supported by cloud profitability, operational efficiency, and AI-driven innovation. Long-term prospects remain attractive due to leadership in cloud computing, AI and logistics, though investors should monitor elevated capital expenditures, earnings concentration in AWS, international margin pressures, and execution risks associated with rapid expansion across AI, retail, and global operations.

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