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TENANT CREDIT REVIEW

Amazon.com, Inc.

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Guarantor Credit Review

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Amazon.com, Inc.

Highlights

Key Positives

- Amazon.com, Inc. is the largest ecommerce player while also operating one of the largest cloud computing businesses in the world, giving it incredible scale advantages.
- Amazon's recent financial performance remains quite strong, with the Company generating significant levels of revenue, EBITDA, and free cash flow.
- The Company generated $3.5 billion in revenue, $668 billion of EBITDA, and $222 billion in free cash flow from 2020 through Q1 2026.
- Amazon's total revenue increased by 86% from 2020 to 2025, from $386 billion in 2020 to $717 billion in 2025.
- The Company's revenue growth accelerated in Q126 to 17%, up from 12% in 2025.
- The AWS segment has been Amazon's fastest-growing revenue segment since 2020, increasing its share of total revenue from 12% to 21%. AWS had revenue of $129 billion in 2025, up from $45 billion in 2020.
- Amazon generated an EBITDA margin of 19.2% for the 2020 – Q126 period.
- Amazon had a strong balance sheet as of 3/31/25, characterized by a moderate level of debt outstanding, a strong and growing equity capital base, and low leverage ratios.
- The Company's net debt to EBITDA ratio was in a net cash position in each of the last four fiscal periods from 2023 to Q126.
- Amazon generated positive cash from operations in each period from 2020 to Q1 2026, with total cash from operations of $526 billion.
- S&P Global rated Amazon at "AA / Stable" in its most recent review of the Company in March 2026. Given this, Amazon can issue debt at very low interest rates, with a recent issuance of six-year debt pricing at just 3.35%.
- AMZN's stock price is up >300% since the start of 2020, and its market cap is $2.6 trillion, making it the 5th most valuable company in the world.

Key Negatives/Risks.

- Elevated capex spending over the three most recent fiscal periods has put pressure on AMZN's free cash flow, free cash flow margins, and interest coverage ratios.
- Capex increased from 8% of revenue in 2023 to 18% in 2025 and 24% in Q126, driven by capacity expansions at AWS to handle AI demands. Management is projecting capex spending of $200 billion for 2026, up from $128 billion in 2025.
- AWS's operating margin was 38% in Q126, which was by far the highest among the Company's three divisions. It is uncertain how much additional margin expansion can be achieved at AWS, especially as competition intensifies.
- Regulatory and antitrust risks will continue to be an overhang and could potentially lead to the forced spin-off of AWS.

Financial Highlights

($ millions)	2023	2024	2025	Q1 2026
Revenue	$574,785	$637,959	$716,924	$181,519
EBITDA	109,538	143,399	165,198	46,829
Cash & equivalents	86,780	101,202	123,029	143,089
Total assets	527,854	624,894	818,042	916,630
Total debt outstanding	75,676	63,017	71,584	125,464
Equity	201,875	285,970	411,065	441,914

Conclusions

Risk Assessment/Credit Quality

Amazon continues to generate very attractive levels of revenue, EBITDA, free cash flow, and cash from operations, particularly given its large size at $717 billion in 2025 revenue.

With $668 billion in total EBITDA, $526 billion in cash from operations, and $222 billion in free cash flow from 2020 to Q126, Amazon's collective businesses remain highly free cash flow positive despite slowing topline growth in some segments and capex spending, which has recently accelerated. However, we continue to expect the Company to be a significant cash generator led by its Amazon Web Services division, which is now a $150 billion annual run rate business as of Q126.

We have rated the overall level of tenant risk in a lease guaranteed by Amazon.com, Inc. at 9.0 (see Rating Guide), which is very low. We would expect the Company to be a reliable tenant under almost any scenario.

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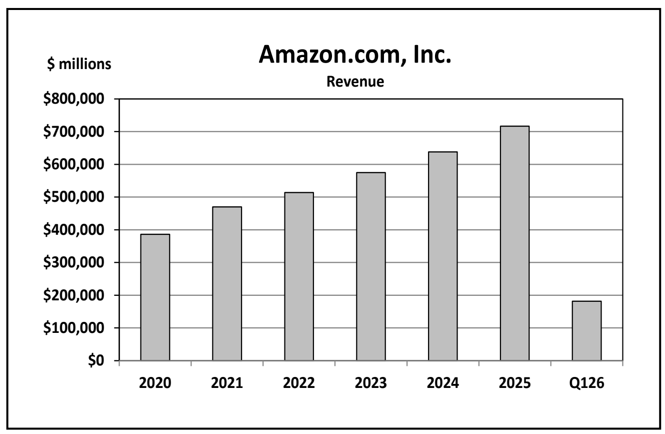
Analyst Notes

Revenues – Amazon.com, Inc. ("Amazon" or "the Company") is a US-based multinational technology company that focuses on online retail sales, cloud computing services, and, most recently, physical retail sales via its Whole Foods Market subsidiary as well as telehealth services via its 2023 purchase of OneMedical. Amazon's primary customers are consumers, online sellers, developers, enterprises, content creators, advertisers, and employees, while its primary stated operating goal is long-term, sustainable growth in free cash flow.

Amazon sells numerous products, including books, music, movies, electronics, toys, housewares, apparel, groceries, and many others, either directly or as a middleman between other retailers and Amazon's online customers. The Company also produces various electronic devices, including Kindle e-readers, Fire tablet PCs, and televisions, and other home-based products, including the Echo and Alexa devices and Ring doorbells. Amazon also has the world's largest cloud computing business via its Amazon Web Services (AWS) segment. The Amazon Web Services segment is the largest cloud computing provider in the world and offers a broad set of technology services, including computing, storage, database, analytics, machine learning, and other services.

Amazon reports revenue in three primary segments: North America, International, and Amazon Web Services (AWS). The North American segment primarily consists of amounts earned from retail sales of consumer products and subscriptions through North America-focused online and physical stores. The International segment primarily consists of amounts earned from retail sales of consumer products and subscriptions through internationally focused online stores.

Amazon generated $3.5 trillion of revenue from 2020 through Q126, including $182 billion of revenue in Q126, an increase of +17% year over year. This was an acceleration of the Company's revenue growth of +12% in calendar 2025. FX added two percentage points to AMZN's Q126 revenue growth.



Over the past five fiscal years, Amazon's total revenue increased by 86%, from $386 billion in 2020 to $717 billion in 2025, as shown in the chart at right. This represents a very strong top-line performance for a company of Amazon's size.

Amazon's revenue growth was 38% in 2020, 22% in 2021, 9% in 2022, 12% in 2023, 11% in 2024, and 12% in 2025. Q126 revenue growth increased to +17%, as noted above.

By reporting segment, in Q126, the Company's North America segment was 57% of total Amazon revenue, while the International segment was 22% of total revenue, and the AWS segment was 21% of total Company revenue. These percentages were similar to Amazon's full-year 2025 percent of revenue by segment, with North America at 59%, International at 23%, and AWS at 18% of total 2025 revenue. North America lost two percentage points, while AWS picked up two percentage points of revenue share.

Table 1 below shows Amazon's revenue by division and percent of total Company revenue from 2020 to Q126:

Table 1 – Amazon revenue and % of revenue by segment, 2020 – Q1 2026

Revenue by segment	2020	2021	2022	2023	2024	2025	Q126	Q126 %chg
N America	236,282	279,833	315,880	352,828	387,497	426,305	104,143	12%
International	104,412	127,787	118,007	131,200	142,906	161,894	39,789	19%
AWS	45,370	62,202	80,096	90,757	107,556	128,725	37,587	28%
Total revenue	386,064	469,822	513,983	574,785	637,959	716,924	181,519	17%

% of revenue	2020	2021	2022	2023	2024	2025	Q126	Q126 %chg
N America	61%	60%	61%	61%	61%	59%	57%	-2%
International	27%	27%	23%	23%	22%	23%	22%	0%
AWS	12%	13%	16%	16%	17%	18%	21%	2%
Total revenue	100%	100%	100%	100%	100%	100%	100%	

Amazon's revenue growth by segment over the 2020 to Q126 period is summarized in Table 2 below:

Table 2 – Amazon revenue growth by segment 2020 – Q126:

Rev growth by segment	2020	2021	2022	2023	2024	2025	Q126
N America	38%	18%	13%	12%	10%	10%	12%
International	40%	22%	-8%	11%	9%	13%	19%
AWS	30%	37%	29%	13%	19%	20%	28%
Total revenue growth	38%	22%	9%	12%	11%	12%	17%

As shown in Table 2 above, Amazon's AWS segment has been the Company's fastest-growing revenue segment since 2020, with revenue growth rates of 30% in 2020, 37% in 2021, and 29% in 2022 before slowing to 13% year-over-year revenue growth in 2023. In 2024, the AWS segment recovered to +19% revenue growth, followed by +20% in 2025 and +28% in the first quarter of 2026.

The Company's North America segment had revenue growth of +10% in 2024, +10% in 2025, and +12% in 2026. Amazon's International segment had +9% revenue growth in 2024, +13% in 2025, and +19% in 2026, as shown in Table 2 above.

Amazon Web Services

Amazon Web Services (AWS) is the world's most comprehensive and broadly adopted cloud platform, offering over 200 fully featured services from data centers in operation globally. Millions of customers, including the fastest-growing startups, largest enterprises, and leading government agencies, are using AWS to lower costs, become more agile, and innovate faster. Amazon believes AWS is the leading cloud platform in the world, highlighting that AWS has the most functionality, the largest community of customers and partners, the most secure network architecture, the fastest pace of innovation, and the most proven operational expertise in cloud computing.

The AWS division led Amazon's financial performance during Q126 with 28% year-over-year revenue growth, 23% year-over-year operating income growth, and a 37.7% operating margin, which was significantly higher than AMZN's overall operating margin of 13.1% in Q126.

During Q1 2026, AMZN announced new AWS agreements with OpenAI, Anthropic, Meta, NVIDIA, Uber, U.S. Bank, Fox Corporation, Southwest Airlines, U.S. Army, Bloomberg, Cerebras, AT&T, DTCC, Nokia, Fundamental, The National Geographic Society, NEURA Robotics, DXC, PGA TOUR, O2 Telefónica, NTT DOCOMO, Veolia, The Evri Group, Telenor, ModMed, Yotta Data Services, Parrot Analytics, U.S. Hunger, TGS, and more.

Amazon's AWS division is the Company's fastest-growing and most profitable business line, as highlighted in Table 3 below, which shows AWS's revenue growth, operating income growth, and operating margin by year since 2020:

Table 3 – AWS division financials 2020 to Q1 2026

	2020	2021	2022	2023	2024	2025	2026
AWS Division							
AWS revenue	45,370	62,202	80,096	90,757	107,556	128,725	37,587
y/y growth %	30%	37%	29%	13%	19%	20%	28%
AWS operating income	13,531	18,532	22,841	24,631	39,834	45,606	14,161
y/y growth %	47%	37%	23%	8%	62%	14%	23%
AWS operating margin	29.8%	29.8%	28.5%	27.1%	37.0%	35.4%	37.7%
AWS as % of total AMZN revenue	13%	16%	16%	17%	17%	18%	21%
AWS as % of total AMZN oper income	59%	74%	186%	67%	58%	57%	59%

The table above shows that the AWS division posted eight straight periods of double-digit revenue growth from 2020 to Q126, making it the clear driver of Amazon's overall revenue growth over the period.

In addition, Amazon's AWS division has posted an operating margin of 32% since 2020, which was significantly higher than Amazon's overall operating margin. Table 4 below shows the Company's operating income and operating margin by division since 2020:

Table 4 – Amazon operating income and operating margin by division 2020 – Q126

Oper inc by division	2020	2021	2022	2023	2024	2025	Q126	Q126 %chg
N America	8,651	7,271	(2,847)	14,877	24,967	29,619	8,267	42%
International	717	(924)	(7,746)	(2,656)	3,792	4,750	1,424	40%
AWS	13,531	18,532	22,841	24,631	39,834	45,606	14,161	23%
Total operating income	22,899	24,879	12,248	36,852	68,593	79,975	23,852	30%

Operating margin by div	2020	2021	2022	2023	2024	2025	Q126	Q126 %chg
N America	3.7%	2.6%	-0.9%	4.2%	6.4%	6.9%	7.9%	1.6%
International	0.7%	-0.7%	-6.6%	-2.0%	2.7%	2.9%	3.6%	0.5%
AWS	29.8%	29.8%	28.5%	27.1%	37.0%	35.4%	37.7%	-1.8%
Total operating margin	5.9%	5.3%	2.4%	6.4%	10.8%	11.2%	13.1%	1.3%

As shown in the table above, the AWS division's operating margin increased from 27.1% in 2023 to 37.7% in Q126, an increase of 1060 basis points. This improvement in operating margin helped drive Amazon's overall operating margin from the low of 2.4% in 2022 to 13.1% in Q126, as shown above, along with improved margins at the North America and International divisions.

We also note that Amazon's overall operating margin has now been above 10.0% in 2024, 2025, and Q126, which helped push the Company's EBITDA margins into record territory, as we cover in the next section.

In the top part of the table above, we note that Amazon's AWS division generated most of the company's operating income from 2024 through Q126, including operating income of $40 billion in 2024, $47 billion in 2025, and $14 billion in 2026's first quarter.

During the Q126 earnings call, Amazon noted that AWS's 28% revenue growth in the quarter was its fastest in the last 15 quarters. Management also stated that AWS was a $150 billion annual revenue run-rate business, with the recent growth driven by AI. The Company stated that AI revenue at AWS was running at a $15 billion annual rate in Q126. Management also stated during the Q126 call that AWS had a backlog of $364 billion, which did not include the recently announced deal with Anthropic for $100 billion.

One recent concern surrounding the data center market was that several large data center projects were canceled by major players, including Azure and AWS, which some market participants stated could be a signal of a slowdown in the market. Furthermore, Moody's and several sell-side analysts have written reports detailing a potential overbuilding in the industry, at least at certain points. However, most of our research suggests that data center growth, while possibly not as linear as it has been or as many expected it would remain, is likely to remain elevated from a CAGR standpoint for at least the next 5-10 years based on processing needs, with AI being a major contributor. That said, even if the market were to soften, we would expect AWS/Amazon to be able to traverse such a period much better than virtually any of its peers, given the overall strength of its credit profile.

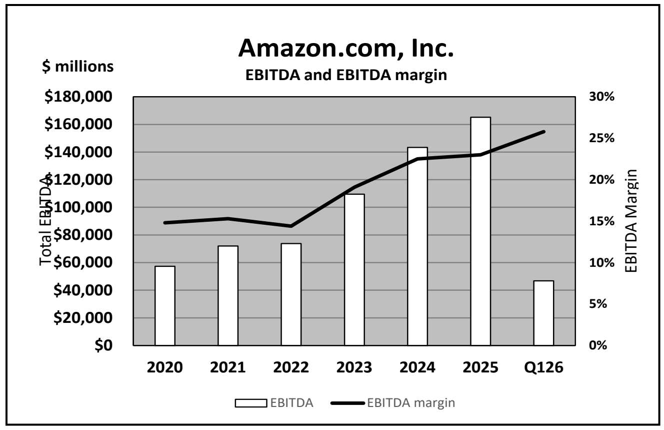
Outlook – Amazon provides guidance for investors on a one-quarter-ahead basis. During the Q126 earnings call, the Company provided Q2 2026 revenue guidance of $194 billion to $199 billion, up 16% to 19% year over year. Amazon also updated its forward quarterly operating income target, which we cover in the next section. Consensus sell-side projections for 2026 estimate revenue will be $823 billion, while 2027 revenue is expected to grow to $931 billion.

In terms of government regulatory risk and/or calls for Amazon to be forced to spin off its AWS division, the Company maintains several warning sections in its annual report on Form 10-K and quarterly report on Form 10-Q, but did not specifically discuss the issue during the Q126 conference call. As of now, there are multiple complaints against Amazon, and several trial dates have been set over the next 6-18 months. We would expect Amazon to closely monitor this issue going forward and update the investment community with any changes in expectations regarding AWS.

Analyst Notes

Profitability – Amazon posted positive EBITDA in each of the periods reviewed from 2020 to Q1 2026 and also posted higher gross and EBITDA margins during that period.

Amazon generated a total of $668 billion in EBITDA over the 2020 to Q126 period, including $143 billion of EBITDA in 2024, $165 billion in 2025, and $47 billion of EBITDA in Q1 2026, as shown in the chart at right.



Since slowing to just a 2% year-over-year growth rate in 2022, Amazon's recent EBITDA growth has been quite strong, including +31% in 2024 and +15% in 2025. The Company's EBITDA increased by 29% in Q126.

After plateauing in the 14% to 15% range in each year from 2020 to 2022, Amazon's EBITDA margin increased to 19% in 2023, then further increased to 22.5% in 2024 and 23.0% in 2025, as shown in the chart above. The Company's EBITDA margin in Q1 2026 was 25.8%, the highest EBITDA margin Amazon has reported since 2018.

Amazon's gross margin averaged 45% over the 2020 to Q126 period, including 48% gross margin in 2024, 50% in 2025, and 52% in Q126.

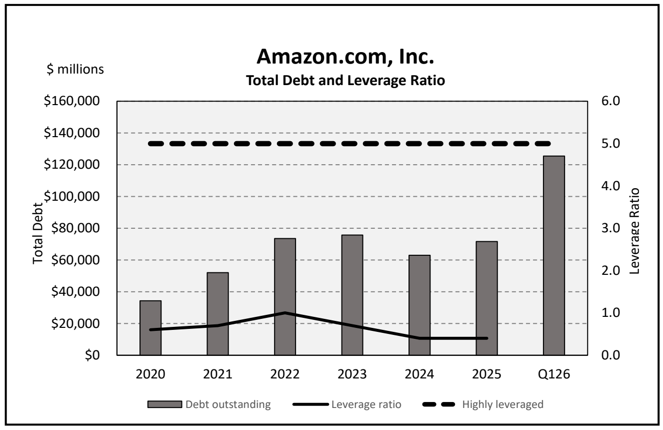
The Company had an average ratio of SG&A expenses to revenue of 24% from 2020 to Q126. Including R&D expenses, that ratio was 38% for the 2020 to Q126 period. Amazon's expense ratio, including R&D, improved from 41% in 2022 to 39% in Q126.

<u>Outlook</u> – During the Q1 2026 earnings call, Amazon provided a targeted operating income range of $20 billion to $24 billion, compared with Q2 2025 operating income of $19 billion. The relatively wide range of projected operating income is typical of how Amazon forecasts quarterly results on a one-quarter-ahead basis for the investment community.

We note that the Company's Q126 operating income increased by 30% year over year compared to the comparable quarter in 2025, with all three of Amazon's segments generating operating income increases of 23% or higher during the quarter.

Analyst Notes

Capitalization – Amazon had a strong balance sheet as of 3/31/26, characterized by a moderate level of debt outstanding, a strong equity capital base, and low leverage and net debt to EBITDA ratios, although recent debt issuances increased the Company's outstanding debt noticeably compared with year-end 2025. This is mostly to support the CAPEX super cycle for AWS as it relates to the AI spending boom across the global economy.



As of 3/31/26, Amazon had $125 billion of total debt outstanding spread across a variety of note issuances and maturity dates. This outstanding debt was up from $72 billion in total debt as of 12/31/25, as shown in the chart at right.

The $54 billion increase in outstanding debt compared with 12/31/25 was driven by two debt issuances in Q1 2026, including a $37 billion tranche of USD-denominated notes and a €14.5 billion tranche of notes. The two additional tranches of notes issued during the first quarter of 2026 brought Amazon's total debt outstanding to nine different tranches of notes issued from 2014 to 2026, with various interest rates and maturity dates. The largest of these tranches included $15 billion of notes issued in 2025, $15 billion of notes issued in 2021, and $12 billion of notes issued in 2017.

The interest rates on the dollar-denominated notes issued in Q1 2026 were very low, as the short-dated debt due in 2028 carried a fixed interest rate of 2.8%, while medium-term debt due in 2032 was priced at 3.35%. Even the longer-dated debt was priced at very modest interest rates, with the notes due in 2064 paying interest of just 4.85%. We note that the current yield on the 30-year Treasury is 4.95%, suggesting the market views Amazon's credit as being safer than that of the U.S. government.

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Amazon also had a $20 billion revolving credit facility with a group of banks at an interest rate of SOFR + 45 basis points. This credit line was set to mature in October 2026, but will likely be renewed. There was no balance outstanding on the revolving credit line as of 12/31/25 or 3/31/26. Amazon also had $30 billion in commercial paper facilities as of 3/31/26, with a $0 balance outstanding at either 12/31/25 or 3/31/26. The Company had substantial near-term liquidity on these facilities along with significant balance sheet cash, which we discuss in more detail in the next section of this report on cash flow/liquidity.

Amazon's increase in total debt outstanding during Q126 did not impact its leverage ratio by much, which was a projected 0.7x for full-year 2026 based on Q126 EBITDA run rate and $125.5 billion of debt. This ratio compared to AMZN's leverage ratio of 0.4x at the end of 2024 and 0.4x at the end of 2025, as shown in the chart above. Amazon's net debt to EBITDA ratio was in a net cash position as of 12/31/23, 12/31/24, 12/31/25, and Q1 2026. It was projected to remain in a net cash position by year-end 2026 as well.

Amazon had $23 billion of goodwill + intangibles on the balance sheet as of 3/31/26; however, the Company's tangible equity to assets ratio was 46%, which is quite strong. Amazon's debt-to-equity ratio was 0.28x as of 3/31/26, which is low.

Debt ratings: S&P Global rated Amazon at "AA / Stable" in its most recent review of the Company in March 2026.

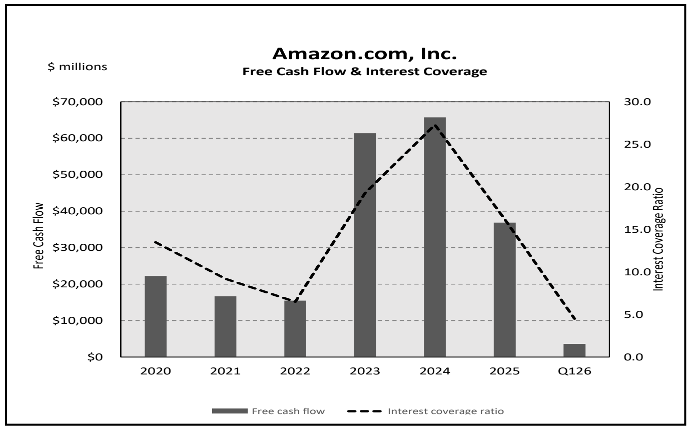
Analyst Notes

Amazon's stock price has outperformed on virtually any long-term time horizon and has been up significantly over the past five years. The stock was trading at an all-time high of $277/share as of May 2026, but traded down after that, bottoming around $232/share as of June 2026. The stock was trading at $241/share as of 6/23/26, which implies a market cap of $2.6 trillion, making Amazon one of the most valuable public companies in the world.

Cash Flow/Liquidity – Amazon posted positive free cash flow in each period reviewed from 2020 to Q1 2026 and also generated positive cash from operations in each of those periods. However, the Company had elevated capex spending in each of the three most recent fiscal periods, which created lower free cash flow margins and reduced free cash flow. We note that AMZN's free cash flow decreased by (44%) yr/yr in 2025 due to this elevated capex spend.

Amazon generated a total of $222 billion in free cash flow over the 2020 to Q1 2026 period, including $66 billion of free cash flow during 2024, $37 billion in 2025, and $3.5 billion of free cash flow in Q1 2026 as shown in the chart at right.

Amazon's interest coverage ratio was 27x in 2024, as shown in the chart at right, but decreased to 16x in 2025 and 4.5x in Q1 2026 as increased capex spending put pressure on free cash flow.



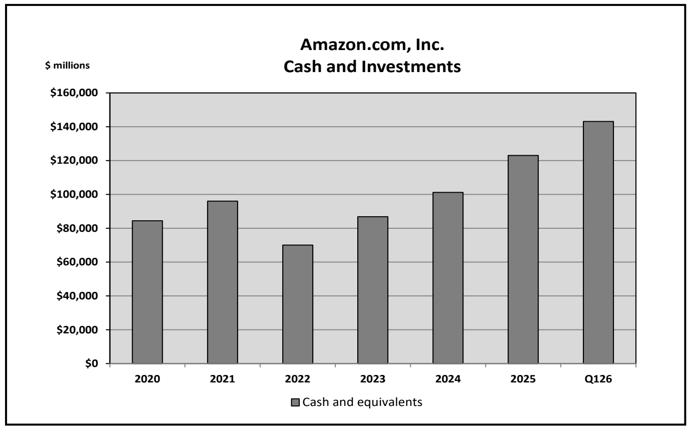
Amazon's capex spending increased from $48 billion in 2023 to $78 billion in 2024 and further increased to $128 billion in 2025. On a percentage of revenue basis, the Company's capex increased from 8% in 2023 to 12% in 2024 and to 18% in 2025. For the first quarter of 2026, Amazon's capex totaled 24% of revenue, by far the highest percentage since 2018.

Management stated in the 2025 annual report that AWS added 3.9 gigawatts of new power capacity in 2025. The CEO also noted that rapid growth at AWS has brought with it accelerated capex spending on land, power, buildings, chips, servers, and networking gear. In addition, management stated that 2026 capex should be approximately $200 billion, per the CEO, up significantly from $128 billion in capex in 2025.

The Company noted that it typically takes 6 to 24 months after AWS capex investments for revenue to start coming in, and while AMZN is pleased with the long-term ROIC on those investments, near-term free cash flow will be under pressure. Amazon's free cash flow margin decreased from 11% in 2023 to 10% in 2024, then further decreased to a 5% free cash flow margin in 2025 and 2% in 2026's first quarter as capex spend accelerated. Amazon generated a total of $594 billion in cash from operations over the 2020 to Q1 2026 period, including $116 billion in 2024 and $140 billion in 2025. Q126 cash from operations totaled $26 billion.

Analyst Notes

At the end of Q1 2026, Amazon had $143 billion of cash and short-term investments on the balance sheet, up from $101 billion as of 12/31/24 and $140 billion as of 12/31/25, as shown in the chart at right.



The Company had total liquidity of $194 billion as of 3/31/26 via $50 billion of available capacity on its revolving credit line and CP facilities, plus balance sheet cash of $143 billion. We view Amazon's liquidity position as substantial.

Overall, while capital intensity has ramped up considerably in the past few years and free cash flow has been pressured, this is mitigated by the Company's strong operating cash flows, ample liquidity, and continued healthy credit metrics, all of which limit our level of concern.

Analyst Notes

Corporate Profile

Amazon.com, Inc. ("Amazon" or "the Company") is a US-based multinational technology company that focuses on online retail sales, cloud computing services, and, most recently, physical retail sales via its Whole Foods Market subsidiary as well as telehealth services via its 2023 purchase of OneMedical. Amazon sells numerous products, including books, music, movies, electronics, toys, housewares, apparel, groceries, and many others, either directly or as a middleman between other retailers and Amazon's online customers. The Company also produces various electronic devices, including Kindle e-readers, Fire tablet PCs, and televisions, and other home-based products, including the Echo and Alexa devices and Ring doorbells. Amazon also has the world's largest cloud computing business via its Amazon Web Services (AWS) segment. Amazon.com was founded in 1994, went public in 1997, trades on the Nasdaq Exchange under the ticker symbol 'AMZN', and is headquartered in Seattle, WA.

Scope of Analysis

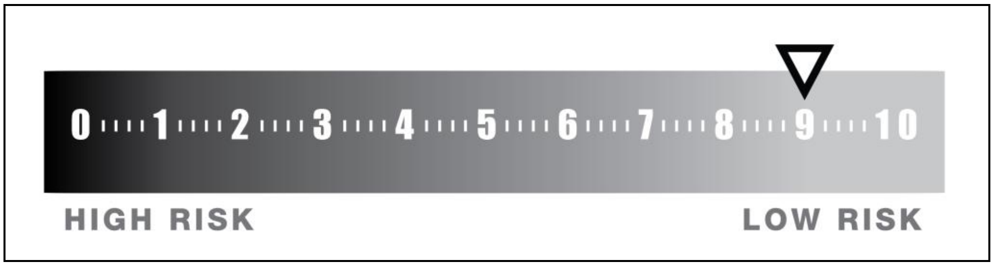
Our analysis of Amazon.com, Inc. included (i) a review of Amazon's SEC filings from the years 2018 through 3/31/26 including annual reports, Form 10-Ks, Form 10-Qs, and quarterly earnings releases; (ii) a review of selected earnings conference call transcripts and investor presentations hosted by the Company; (iii) online search and review of information about Amazon and its markets; and (iv) a review of articles from trade and business publications.

Amazon.com, Inc.
Financial Spreadsheet

($ millions) Fiscal year	2020	2021	2022	2023	2024	2025	1Q 2026
For the period							
Revenue	$386,064	$469,822	$513,983	$574,875	$637,959	$716,924	$181,519
Year-to-year growth rate	38%	22%	9%	12%	11%	12%	17%
Pre-tax income (as reported)	24,178	26,351	6,764	37,557	68,614	97,311	39,834
EBITDA (adjusted)	57,287	72,069	73,790	109,538	143,399	165,198	46,829
Margins							
Gross margin	39.6%	42.0%	43.8%	47.0%	48.9%	50.3%	51.8%
EBITDA margin	14.8%	15.3%	14.4%	19.1%	22.5%	23.0%	25.8%
Expense ratios (% of revs.)							
SG&A expense	22.6%	24.8%	27.2%	25.7%	24.2%	24.0%	22.4%
R&D expense	11.1%	11.9%	14.2%	14.9%	13.9%	15.1%	16.3%
Cash Flow							
EBITDA	57,287	72,069	73,790	109,538	143,399	165,198	46,829
Capital expenditures	(35,044)	(55,396)	(58,321)	(48,133)	(77,658)	(128,320)	(43,234)
Free cash flow	22,243	16,673	15,469	61,405	65,741	36,878	3,595
Interest expense	(1,647)	(1,809)	(2,367)	(3,182)	(2,406)	(2,274)	(800)
Interest coverage	13.5x	9.2x	6.5x	19.3x	27.3x	16.2x	4.5x
From operating activities	66,064	46,327	46,752	84,946	115,877	139,514	26,032
From investing activities	(59,611)	(58,154)	(37,601)	(49,833)	(94,342)	(142,545)	(64,212)
From financing activities	(1,104)	6,291	9,718	(15,879)	(11,812)	9,661	52,767
Net change in cash & equiv.	5,967	(5,900)	17,776	10,637	8,422	7,794	14,586
At period end[1]							
Assets							
Cash & market. securities	84,396	96,049	70,026	86,780	101,202	123,029	143,089
Accounts receivable	24,542	32,891	42,360	52,253	55,451	67,729	75,532
Inventories	23,795	32,640	34,405	33,318	34,214	38,325	36,534
Total current assets	132,733	161,580	146,791	172,351	190,867	229,083	255,155
Prop., plant & equip. (net)	113,114	160,281	186,715	204,177	252,665	357,025	397,458
Lease ROU assets	--	--	66,123	72,513	76,141	86,054	88,741
Goodwill and intangibles	15,017	15,371	20,288	22,789	23,074	23,273	23,449
Total assets	321,195	420,549	462,675	527,854	624,894	818,042	916,630
Liabilities/Equity							
Accounts payable	72,539	78,664	79,600	84,981	94,363	121,909	124,749
Lease liabilities - ST	--	--	11,855	10,451	11,921	14,199	14,128
Current portion of LT debt	1,155	1,491	2,999	8,494	5,017	2,748	2,832
Total current liabilities	126,385	142,266	155,393	164,917	179,431	218,005	216,756
Lease liabilities - LT	--	--	61,113	77,297	78,277	87,339	90,814
Long-term debt	33,174	50,553	70,542	67,182	58,000	68,836	122,632
Stockholders' equity	93,404	138,245	146,043	201,875	285,970	411,065	441,914
Key financial ratios							
Current ratio	1.1	1.1	0.9	1.0	1.1	1.1	1.2
Quick ratio	0.9	0.9	0.7	0.8	0.9	0.9	1.0
Leverage ratio	0.6	0.7	1.0	0.7	0.4	0.4	Nmf
Net debt/EBITDA	Net cash	Net cash	0.0	Net cash	Net cash	Net cash	Net cash

[1] These are balance sheet highlights. Certain line items have been excluded.

Rating Guide



Tenant Risk[2]/Credit Quality

Rating	Tenant Risk	Credit Quality	Security Recommended
0 – 1	Very high	Deficient	Avoid as tenant
1 – 3	High	Unsafe	Full security
3 – 5	Worrisome	Poor	Full/Partial security
5 – 7	Some concerns	Fair	Partial security
7 – 9	Low	Good	None or partial security
9 – 10	Very low	Excellent	No security

This rating is based on an analysis of a company's key financial documents and business fundamentals, as well as comparative data drawn from the Alliance Group's proprietary Tenant Index of more than 6,000 companies that reside in our research database. In our peer group studies, IndexSearch software is used to categorize and weigh companies by size, industry, risk levels, and other key factors to narrow the peer group and ensure a meaningful group of comparable companies.

Michael F. Calhoun has 25 years of experience in financial analysis, business management, and corporate evaluation. He is President of The Alliance Group, a consulting firm specializing in corporate due diligence studies, acquisition searches, business valuations, and investment analysis services. Mr. Calhoun is a former investment analyst for both the Dreyfus Corporation and Oppenheimer Management.

[2] Tenant Risk refers to the possibility that a tenant will default during the life of a lease.