

ORCL

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Share price (& range)

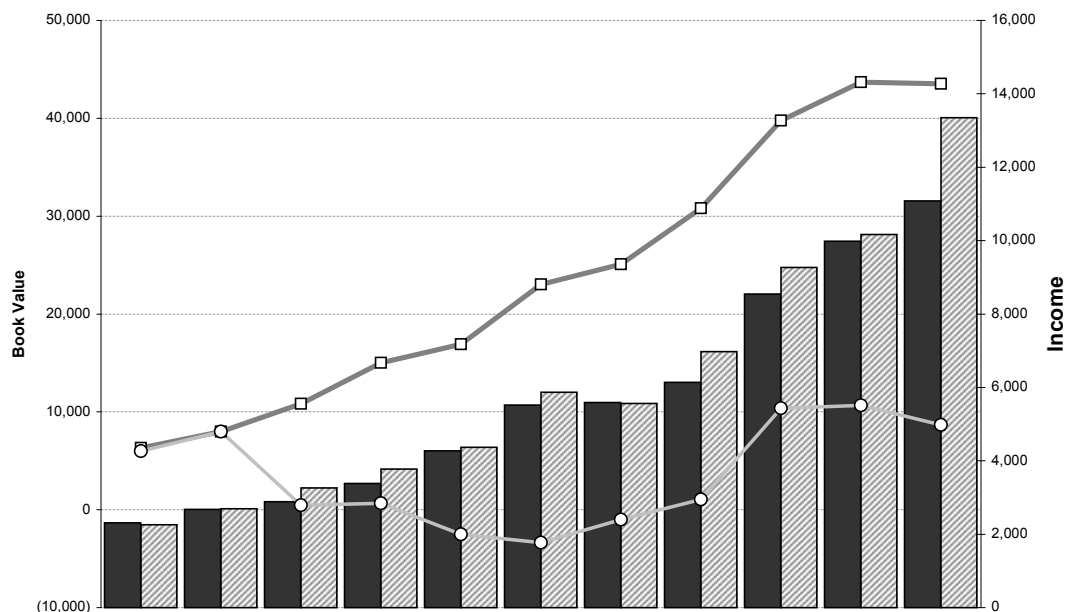
\$32.37

34.34 - 31.32

Company Name

Oracle Corporation

Oracle Corporation is a provider of enterprise software and computer hardware products and services. The Company's software, hardware systems, and services businesses develops, manufactures, markets, hosts and supports database and middleware software, applications software, and hardware systems, with the latter consisting primarily of computer server and storage products. It is organized into three businesses: software, hardware systems and services. Its software business consists of two segments: new software licenses and software license updates and product support. Its hardware systems business consists of two segments: hardware systems products and hardware systems support. The Company's services business consists of the remainder of its segments and offers consulting services, managed cloud services, and education services. On April 5, 2012, the Company acquired Taleo Corporation (Taleo). Effective March 13, 2013, it acquired Nimbula Inc.



Market Cap	\$152,484m
EV/EBIT TTM	11.5
P/E (cash adjusted)	12.4
P/TBV	17.6
FCF/Net profit (5yr)	133%
FCF - acq / Net profit (5yr)	74%
Cap ex/depr (5yr)	109%
Net Debt (cash)	(\$14,996m)
Interest Cover	13
Dividend Yield	0.7%

Valuation	
Intrinsic P/E using 5 yr revenue growth	23.4
Intrinsic P/E using 5 yr net profit growth	27.6
Current P/E (adj. for FCF and acq.s)	16.8
Min. Margin of safety	28%

Capital allocation in last 5 years (% of total FCF)	
Acquisitions	44%
Dividends	8%
Share buybacks	30%
Decrease/(increase) in debt	34%

(may not sum to 100 due to liquidation/purchase of other assets)

Top Shareholders	
The Vanguard Group, Inc.	3.8%
SSgA Funds Management, Inc.	3.4%
BlackRock Fund Advisors	3.0%

	2003/05	2004/05	2005/05	2006/05	2007/05	2008/05	2009/05	2010/05	2011/05	2012/05	TTM	CAGR	
												5yr avg	10 yr avg
Income													
Revenue	9,475	10,156	11,799	14,380	17,996	22,430	23,252	26,820	35,622	37,121	37,371	13%	15%
Gross Profit	7,133	7,839	9,148	11,145	13,805	17,449	18,458	21,056	27,224	29,263	30,400	14%	15%
Gross Margin	75.3%	77.2%	77.5%	77.5%	76.7%	77.8%	79.4%	78.5%	76.4%	78.8%	81.3%	78.2%	77.5%
EBITDA	3,767	4,098	4,802	5,813	7,260	9,489	10,531	12,109	15,524	16,973	17,615	16%	16%
EBITDA Margin	39.8%	40.4%	40.7%	40.4%	40.3%	42.3%	45.3%	45.1%	43.6%	45.7%	47.1%	44.4%	42.4%
Interest	(16)	(21)	(135)	(169)	(343)	(394)	(630)	(754)	(808)	(766)	(826)		
PBT	3,425	3,945	4,051	4,810	5,986	7,894	7,834	8,243	11,411	12,962	13,859	13%	14%
Net profit (continuing)	2,307	2,681	2,886	3,381	4,274	5,521	5,593	6,135	8,547	9,981	11,082	16%	16%
Special income (charges)	0	0	(355)	(222)	(159)	(165)	(234)	(776)	(695)	(351)	0		
EPS (continuing)	0.44	0.51	0.56	0.65	0.83	1.08	1.10	1.22	1.69	1.99	2.18	17%	16%
Owners Income exc. Special	2,259	2,690	3,259	3,779	4,365	5,864	5,561	6,979	9,265	10,170	13,348	15%	16%
Balance Sheet													
Book Value	6,320	7,995	10,837	15,012	16,919	23,025	25,090	30,798	39,776	43,688	43,541	17%	21%
Tangible book	5,975	7,995	461	675	(2,524)	(3,361)	(1,021)	1,052	10,363	10,670	8,662		6%
TBV per share	1.10	1.50	0.09	0.13	(0.48)	(0.64)	(0.20)	0.21	2.02	2.09	1.70		7%
ROI	#####	-638.3%	32.5%	25.4%	24.4%	24.9%	25.8%	25.7%	33.3%	37.6%	38.8%		
Net debt (cash)	(6,191)	(8,415)	(1,950)	(1,711)	573	(808)	(3,387)	(6,959)	(14,076)	(17,152)	(14,996)		
Cash Flow													
Depreciation & amortisation	(243)	(198)	(206)	(272)	(249)	(268)	(263)	(298)	(368)	(486)	(2,930)	16%	7%
Cap Ex	(291)	(189)	(188)	(96)	(317)	(90)	(529)	(230)	(345)	(648)	(664)	64%	8%
Net cash from continuing operations	3,023	3,177	3,552	4,541	5,520	7,402	8,255	8,681	11,214	13,743	14,845		
Disposals (acquisitions)	0	0	(10,656)	(3,953)	(5,005)	(7,643)	(1,159)	(5,606)	(1,847)	(4,702)			
Dividends	0	0	0	0	0	0	(303)	(1,004)	(1,126)	(1,368)	(1,723)		
Share buybacks	(2,653)	(1,499)	(1,343)	(2,067)	(3,937)	(2,023)	(3,972)	(992)	(1,160)	(5,856)	(9,618)		
Other Information													
Shares outstanding (diluted)	5,418	5,326	5,231	5,287	5,269	5,229	5,130	5,073	5,128	5,095	5,095	-0.7%	-0.6%
Receivable days	4	5	5	5	5	4	5	5	6	6	9		
Inventory days	-	-	-	-	-	-	-	42	29	32	36		