

ORCL

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Share price (& range)

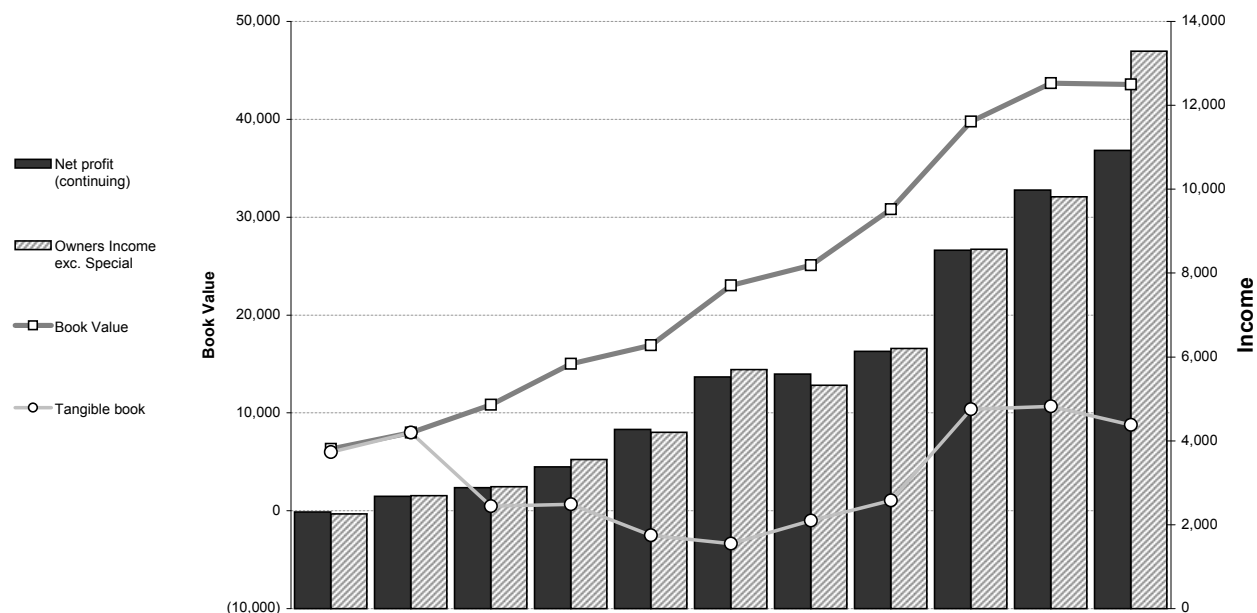
\$37.10

38.36 - 31.32

Company Name

Oracle Corporation

Oracle Corporation, incorporated in 2005, is a provider of enterprise software and computer hardware products and services. The Company provides cloud services as well as software and hardware products to other cloud service providers, both public and private. The Company's software business consists of two segments: new software licenses and cloud software subscriptions and software license updates and product support. The Company's hardware systems business consists of two operating segments: hardware systems products and hardware systems support. The Company's services business consists of the remainder of its operating segments and offers consulting services, managed cloud services and education services. Effective March 13, 2013, it acquired Nimble Inc.



Market Cap	\$166,854m
EV/EBIT TTM	13.1
P/E (cash adjusted)	14.1
P/FCF TTM (cash adjusted)	10.5
P/TBV	19.0
FCF/Net profit (10yr)	129%
FCF - acq / Net profit (5yr)	74%
Cap ex/depr (5yr)	109%
Net Debt (cash)	(\$12,808m)
Interest Cover	14
Dividend Yield	0.3%

DCF Valuation	
Intrinsic Value using 5 yr revenue growth	\$189,370m
Intrinsic Value using 5 yr net profit growth	\$223,439m
Current Enterprise Value	\$154,046m
Min. Margin of safety	19%

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

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

Top Shareholders	
The Vanguard Group, Inc.	3.8%
Capital Research & Management Co. (GI)	3.3%
SSgA Funds Management, Inc.	3.2%

	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	37,180	13%	15%
Gross Profit	7,133	7,839	9,148	11,145	13,805	17,449	18,458	21,056	27,224	29,263	30,067	14%	15%
Gross Margin	75.3%	77.2%	77.5%	77.5%	76.7%	77.8%	79.4%	78.5%	76.4%	78.8%	80.9%	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	17,636	16%	16%
EBITDA Margin	39.8%	40.4%	40.7%	40.4%	40.3%	42.3%	45.3%	45.1%	43.6%	45.7%	47.4%	44.4%	42.4%
Interest	(16)	(21)	(135)	(169)	(343)	(394)	(630)	(754)	(808)	(766)	(797)		
PBT	3,425	3,945	4,051	4,810	5,986	7,894	7,834	8,243	11,411	12,962	13,898	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	10,925	16%	16%
Growth		16%	8%	17%	26%	29%	1%	10%	39%	17%	9%		
EPS (continuing)	0.44	0.51	0.56	0.65	0.83	1.08	1.10	1.22	1.69	1.99	2.14	17%	16%
Owners Income exc. Special	2,259	2,690	2,904	3,557	4,206	5,699	5,327	6,203	8,570	9,819	13,288	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	43,563	17%	21%
Tangible book	5,975	7,995	461	675	(2,524)	(3,361)	(1,021)	1,052	10,363	10,670	8,773		6%
TBV per share	1.10	1.50	0.09	0.13	(0.48)	(0.64)	(0.20)	0.21	2.02	2.09	1.72		7%
ROI	#####	-638.3%	32.5%	25.4%	24.4%	24.9%	25.8%	25.7%	33.3%	37.6%	35.5%	29%	138%
Net debt (cash)	(6,191)	(8,415)	(1,950)	(1,711)	573	(808)	(3,387)	(6,959)	(14,076)	(17,152)	(12,808)		
Cash Flow													
Depreciation & amortisation	(243)	(198)	(206)	(272)	(249)	(268)	(263)	(298)	(368)	(486)	(2,941)	16%	7%
Cap Ex	(291)	(189)	(188)	(96)	(317)	(90)	(529)	(230)	(345)	(648)	(578)	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	15,196		
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)	(1,977)		
Share buybacks	(2,653)	(1,499)	(1,343)	(2,067)	(3,937)	(2,023)	(3,972)	(992)	(1,160)	(5,856)	(9,210)		
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		