

ORCL

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Share price (& range)

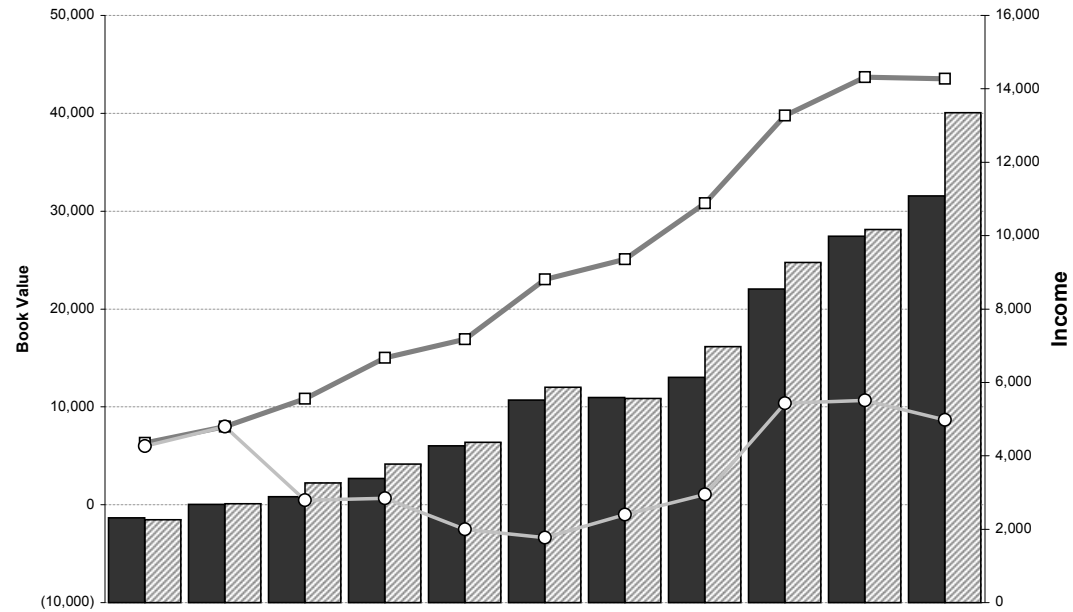
\$32.99

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 | \$155,405m |
| EV/EBIT TTM | 11.8 |
| P/E (cash adjusted) | 12.7 |
| P/FCF TTM (cash adjusted) | 9.9 |
| P/TBV | 17.9 |
| FCF/Net profit (10yr) | 129% |
| FCF - acq / Net profit (5yr) | 74% |
| Cap ex/depr (5yr) | 109% |
| Net Debt (cash) | (\$14,996m) |
| Interest Cover | 13 |
| Dividend Yield | 0.7% |

| | |
|--|------------|
| DCF Valuation | |
| Intrinsic Value using 5 yr revenue growth | \$192,091m |
| Intrinsic Value using 5 yr net profit growth | \$226,650m |
| Current Enterprise Value | \$140,409m |
| Min. Margin of safety | 27% |

| | |
|--|-----|
| 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% |
| 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 | | |