

Oracle is an American multinational computer technology corporation headquartered in Austin, Texas. The company was formerly headquartered in Redwood Shores, California until December 2020 when it moved its headquarters to Texas. The company sells database software and technology, cloud engineered systems, and enterprise software products, particularly its own brands of database management systems.

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Financials Date: May 31, 2023

Industry: SERVICES-PREPACKAGED SOFTWARE

Sector:

TECHNOLOGY

Exchange: NYSE

Executive Valuation Summary



Previous Close

116.06

Distance to Price Target

-5.22%

Price Target

110

Valuation Measures

Market Cap

2.29T

Valuation Date

Trailing P/E Ratio

23.60

WACC

9.80%

Forward P/E Ratio

24.10

EBITDA Multiple

17

PEG Ratio

2.87

Assumed Tax Rate

21.00%

Enterprise Value / EBITDA

18.24

Implied EV / EBITDA

19.72

Enterprise Value / Sales

6.16

Implied EV / FWD Sales

6.86

Price / Sales Ratio

5.82

Implied Price / FWD Sales

5.43

Price Target

110

EPS Growth Rate

22

Peer Comparison Summary

	Name	EVToEBITDA	EVToRevenue
	Oracle Corporati...	16.78	6.50
	Microsoft Corpo...	18.55	9.21
	Intuit Inc	37.14	9.20
	Adobe Systems ...	22.68	9.13
	Average	24.39	7.19

Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
Fiscal Period	FY	FY	FY	FY	FY	FY	FY	FY
Revenue	39.1B	40.5B	42.4B	48.7B	53.6B	59.0B	65.0B	71.5B
Revenue Growth derived from Quarterly Model	NaN	3.61%	4.84%	14.81%	10.08%	10.08%	10.08%	10.08%
Cost of Goods Sold (COGs)	7.9B	7.9B	8.9B	12.7B	13.9B	15.4B	16.9B	18.6B
% of Sales	20.32%	19.41%	20.92%	26.00%	26.00%	26.00%	26.00%	26.00%
Gross Profit	31.1B	32.6B	33.6B	36.1B	39.7B	43.7B	48.1B	52.9B
% of Sales - using Manual percentage input	79.68%	80.59%	79.08%	74.00%	74.00%	74.00%	74.00%	74.00%
Operating Expenses (SG&A)	-16.9B	-16.8B	-17.7B	-21.0B	-23.1B	-25.4B	-27.9B	-30.8B
% of Sales - using Manual percentage input	-43.33%	-41.61%	-41.78%	-43.00%	-43.00%	-43.00%	-43.00%	-43.00%
Operating Income (EBIT)	14.2B	15.8B	15.8B	15.1B	16.6B	18.3B	20.1B	22.2B
Interest Expense	-1995000K	-2496000K	-2755000K	-2755000K	-2755000K	-2755000K	-2755000K	-2755000K
Other Income	-144000K	-287000K	-5426000K	0	0	0	0	0
Total Other Income	-2139000K	-2783000K	-8181000K	-4367667K	-4367667K	-4367667K	-4367667K	-4367667K
Pretax Income (EBT)	12.1B	13.0B	7.6B	10.7B	12.3B	13.9B	15.8B	17.8B
Income Tax Expense	2B	-747000K	932M	2.3B	2.6B	2.9B	3.3B	3.7B
Tax Rate	NaN	NaN	NaN	21.00%	21.00%	21.00%	21.00%	21.00%
Net Income	10.1B	13.7B	6.7B	8.5B	9.7B	11.0B	12.5B	14.1B
Operating Income (EBIT)	14.2B	15.8B	15.8B	15.1B	16.6B	18.3B	20.1B	22.2B
Depreciation & Amortization (D&A)	3.0B	2.9B	3.1B	3.5B	3.9B	4.3B	4.7B	5.2B
% of Sales	7.60%	7.20%	7.36%	7.28%	7.28%	7.28%	7.28%	7.28%
EBITDA	17.2B	18.7B	19.0B	18.7B	20.5B	22.6B	24.9B	27.4B
Diluted EPS	3.35	4.17	2.41	3.04	3.48	3.95	4.47	5.05
Diluted EPS Growth		24.43%	-42.22%	26.29%	14.18%	13.67%	13.23%	12.87%

Discounted Cash Flow Analysis	2023	2024	2025	2026	2027	Normalized
EBITDA	18.7B	20.5B	22.6B	24.9B	27.4B	27.4B
Less: D&A	-3547291.4K	-3904731.1K	-4298187.8K	-4731290.8K	-5208035.1K	-5184016.8K
EBIT	15.1B	16.6B	18.3B	20.1B	22.2B	22.2B
Less: Taxes	-3172096.5K	-3491730.0K	-3843571.0K	-4230865.0K	-4657184.3K	-4662228.2K
NOPAT	11.9B	13.1B	14.5B	15.9B	17.5B	17.5B
Plus: D&A	3.5B	3.9B	4.3B	4.7B	5.2B	5.2B
Less: CapEx	-3530932.1K	-3886723.3K	-4278365.5K	-4709471.1K	-5184016.8K	-5184016.8K
Less: (Increase) / Decrease in NWC	1.0B	1.1B	1.2B	1.3B	1.5B	
Unlevered Free Cash Flow	13.0B	14.2B	15.7B	17.3B	19.0B	17.5B
Discount Period	0.5	1.5	2.5	3.5	4.5	4.5
Discount Factor	0.954	0.869	0.792	0.721	0.657	0.657
PV of Unlevered Free Cash Flow	12.4B	12.4B	12.4B	12.4B	12.5B	