

ORACLE

Oracle CloudWorld

Financial Analyst Meeting

October 20, 2022



Safe Harbor Statement

Statements in this presentation relating to Oracle's future plans, expectations, beliefs, intentions and prospects are "forward-looking statements" and are subject to material risks and uncertainties. Many factors could affect our current expectations and our actual results, and could cause actual results to differ materially. A detailed discussion of these factors and other risks that affect our business is contained in our U.S. Securities and Exchange Commission (SEC) filings, including our most recent reports on Form 10-K and Form 10-Q, particularly under the heading "Risk Factors." Copies of these filings are available online from the SEC or by contacting Oracle's Investor Relations Department at (650) 506-4073 or by clicking on SEC Filings on Oracle's Investor Relations website at <https://www.oracle.com/investor>. All information set forth in this presentation is current as of October 20, 2022. Oracle undertakes no duty to update any statement in light of new information or future events.



Non-GAAP Financial Measures

To supplement our financial results presented on a GAAP basis, we use non-GAAP measures, which exclude certain business combination accounting entries and expenses related to acquisitions and other significant expenses including stock-based compensation, that we believe are helpful in understanding our past financial performance and our future results. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Today's discussion may include certain non-GAAP financial measures.

This Fiscal Year's Expected Milestone

\$50 Billion
in total revenue*

* Consensus estimate for the Oracle fiscal year ending May 31, 2023.



ORACLE MISSION:

Deliver End-to-End Industry Automation to Solve the Most Complex Business Challenges

Customer Focused

- Flexible models (public cloud, C@C, on-prem, hybrid)
- Help customers grow, modernize, and drive efficiencies

One Hand to Shake

- Single source for enterprise technology needs
- Sole accountability, full responsibility

Value Maximization

- Standardize on common technology platform
- Modern, highly secure, scalable cloud capabilities



What Sets Oracle Apart?

We are the most complete enterprise technology vendor

Oracle Industry Applications

Communications

Construction & Engineering

Financial Services

Food & Beverage

Healthcare

Hospitality

Health Sciences

Retail

State & Local

Utilities

Oracle Fusion Applications

Enterprise
Resource Planning

Enterprise
Performance
Management

Supply Chain
Management

Human Capital
Management

Advertising
& Customer
Experience

Fusion Analytics
Warehouse

3rd Party Applications

ISV

Custom

Oracle Cloud Infrastructure



Compute



Networking



Storage



Database



Security

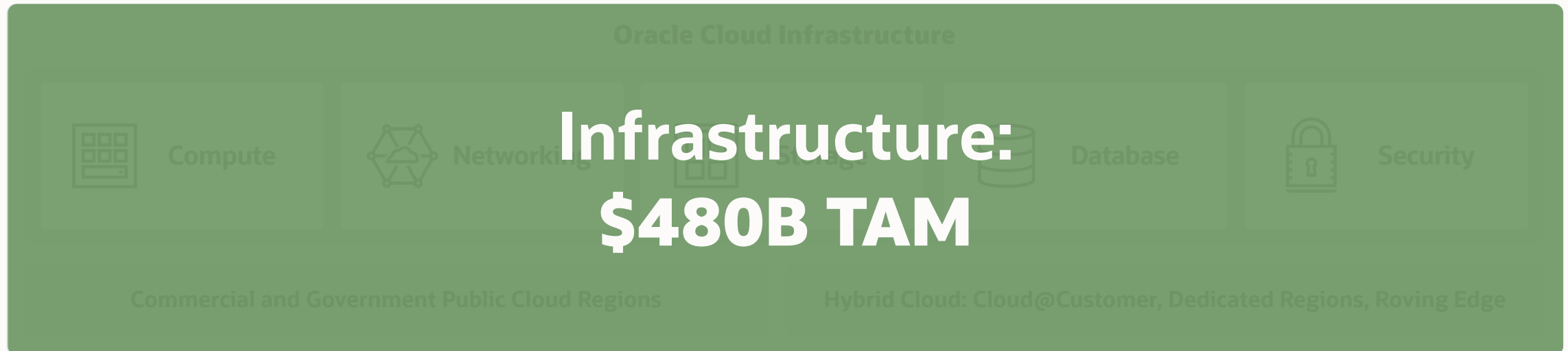
Commercial and Government Public Cloud Regions

Hybrid Cloud: Cloud@Customer, Dedicated Regions, Roving Edge



What Sets Oracle Apart?

We have the largest addressable enterprise software opportunity of close to \$750 billion



Source: IDC, Gartner, IHL, BCG, and Oracle internal analysis. Figures are rounded. "TAM" = Total Addressable Market.



What Sets Oracle Apart?

We have a customer base of more than 430,000 customers



How Does Oracle Leverage Our Unique Differentiation to Accelerate Revenue and Profit Growth?

Cloud is driving Oracle's revenue acceleration

- Cloud has grown from **20%** of revenue in FY20 to **30%+** expected in FY23
- Cloud *organic* growth has accelerated from **13%** in FY20 to **30%+** expected in FY23

Critical levers are driving our growth and margins

- Winning more and bigger cloud apps deals (horizontal + industry)
- Winning more and bigger cloud infrastructure deals (platform + database)
- Scaling our business to drive contribution margins

Note: Figures and growth rates based on constant currency results.



Winning More and Bigger Cloud Apps Deals

Oracle Applications Help Customers Transform and Modernize Across Every Industry



Communications

1 billion calls and text messages routed every day supporting over 5 billion subscribers



Construction & Engineering

\$9 trillion in projects managed



Financial Services

Handling 80% of world's credit card transactions and providing banking and insurance data for over 1 billion people



Food & Beverage

350,000 sites furnished with point-of-sale systems supporting 6.3 billion transactions



Hospitality

Hotel operations streamlined for 4.8 million rooms at more than 40,000 properties



Health

Automating hospital and healthcare processes for 3 million health professionals; powering clinical research for the top 10 biopharmaceutical companies



Retail

Commerce empowered for over 5,800 businesses in 96 countries

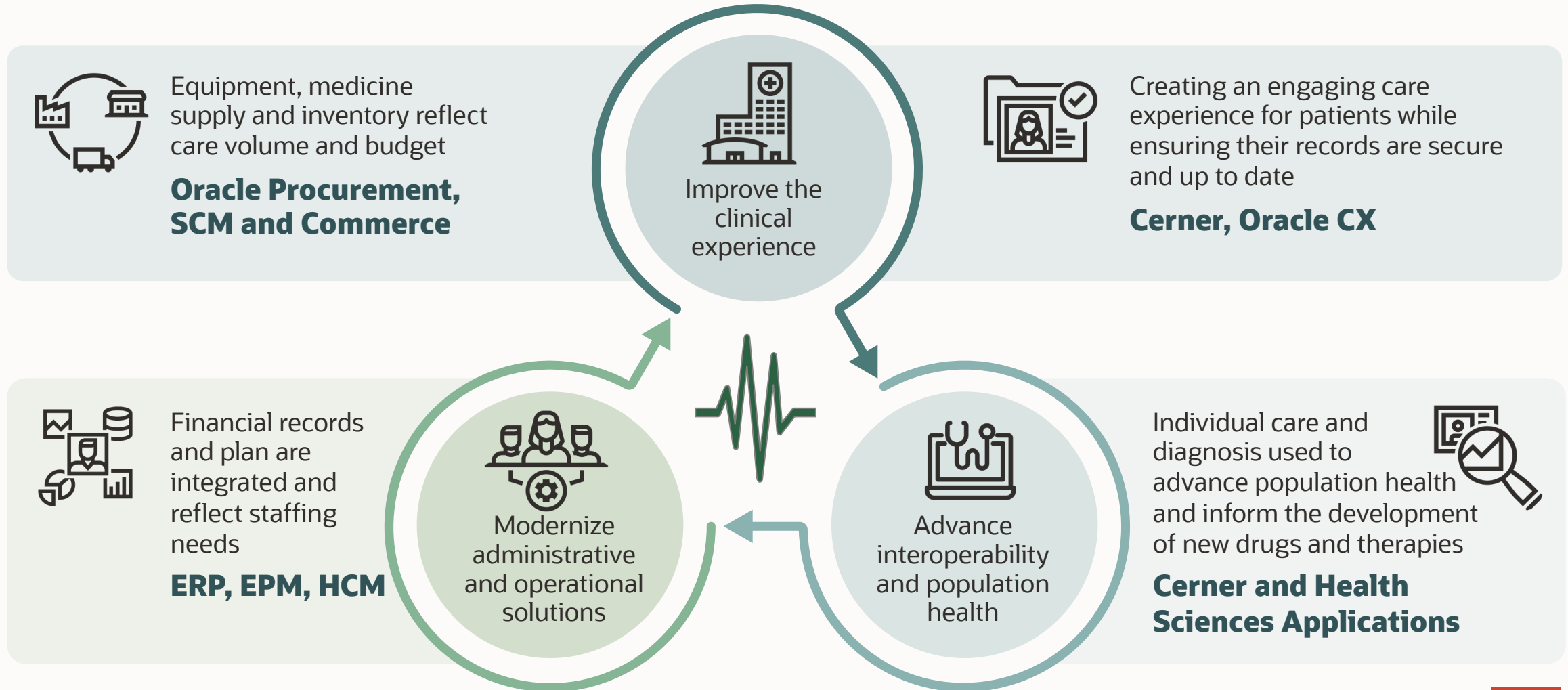


Energy & Water

Helping to reduce 32 TWh of energy use and saving consumers \$2.7 billion on their utility bills



For Example, Oracle Can Provide the Following Integrated, End-to-End Experience in Healthcare



Oracle is Recognized for Our Leadership In Applications

Rated as a Cloud Apps Leader **58** Times

ERP	SCM	HCM	CX
23X	7X	8X	20X

Gartner **FORRESTER**  **IDC** **OMDIA**
ANALYZE THE FUTURE

Number of times top-tier analyst firms placed Oracle in a leadership position over the last 24 months as of October 2022.

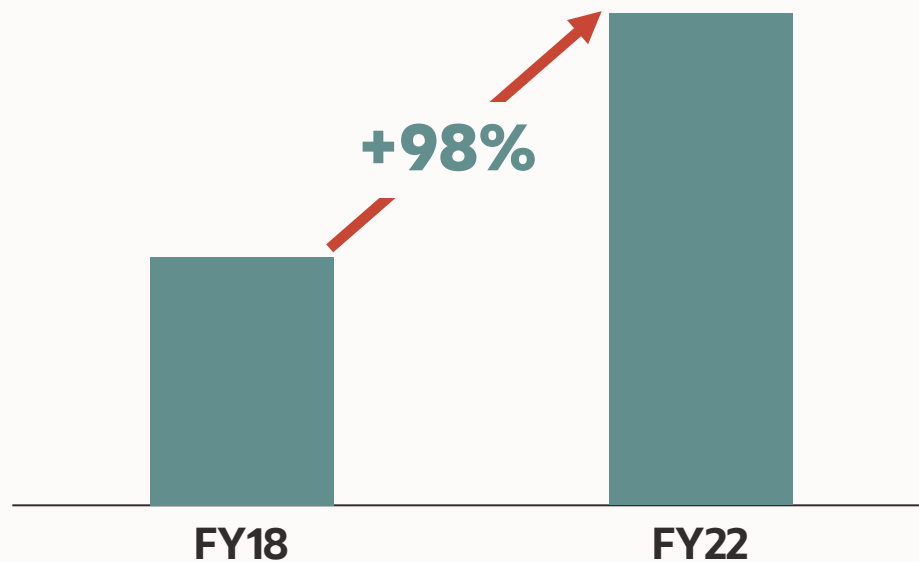


Over 45,000 Customers Are Running Oracle Cloud Applications

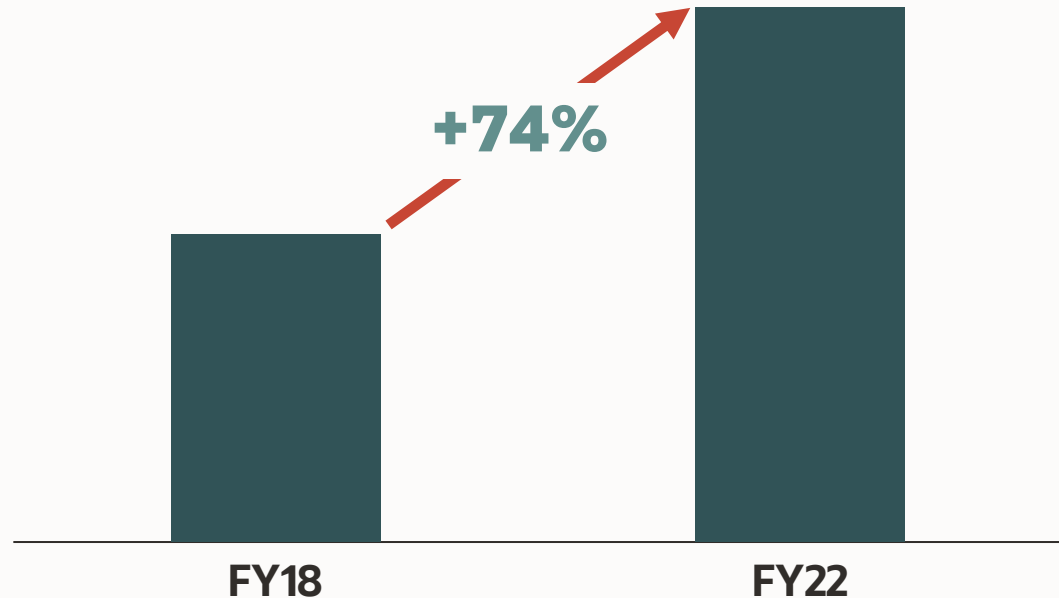


We are Securing More and Larger Cloud Deals with Customers

of New and Expansion Deals



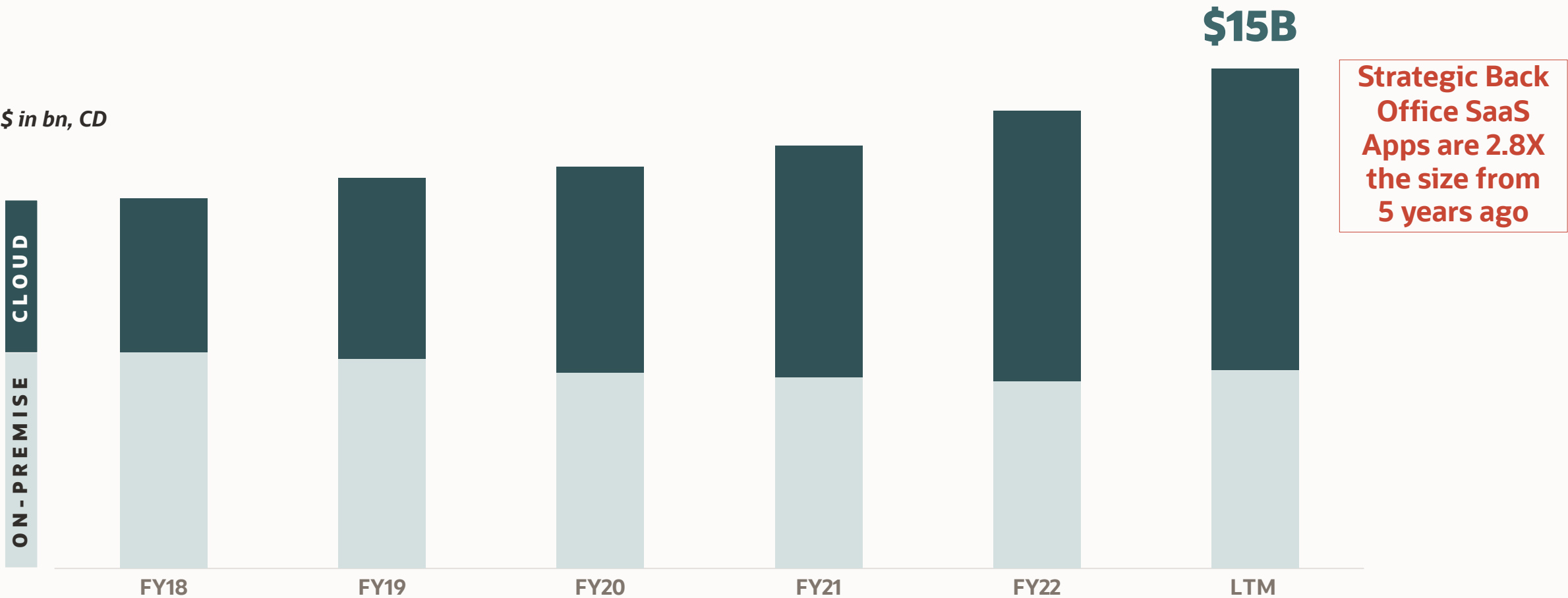
ARR Bookings from Multi-Pillar Deals



Source: Internal analysis of new and expansion cloud transactions.



Oracle's Cloud Business is Now a Majority of Apps Revenue

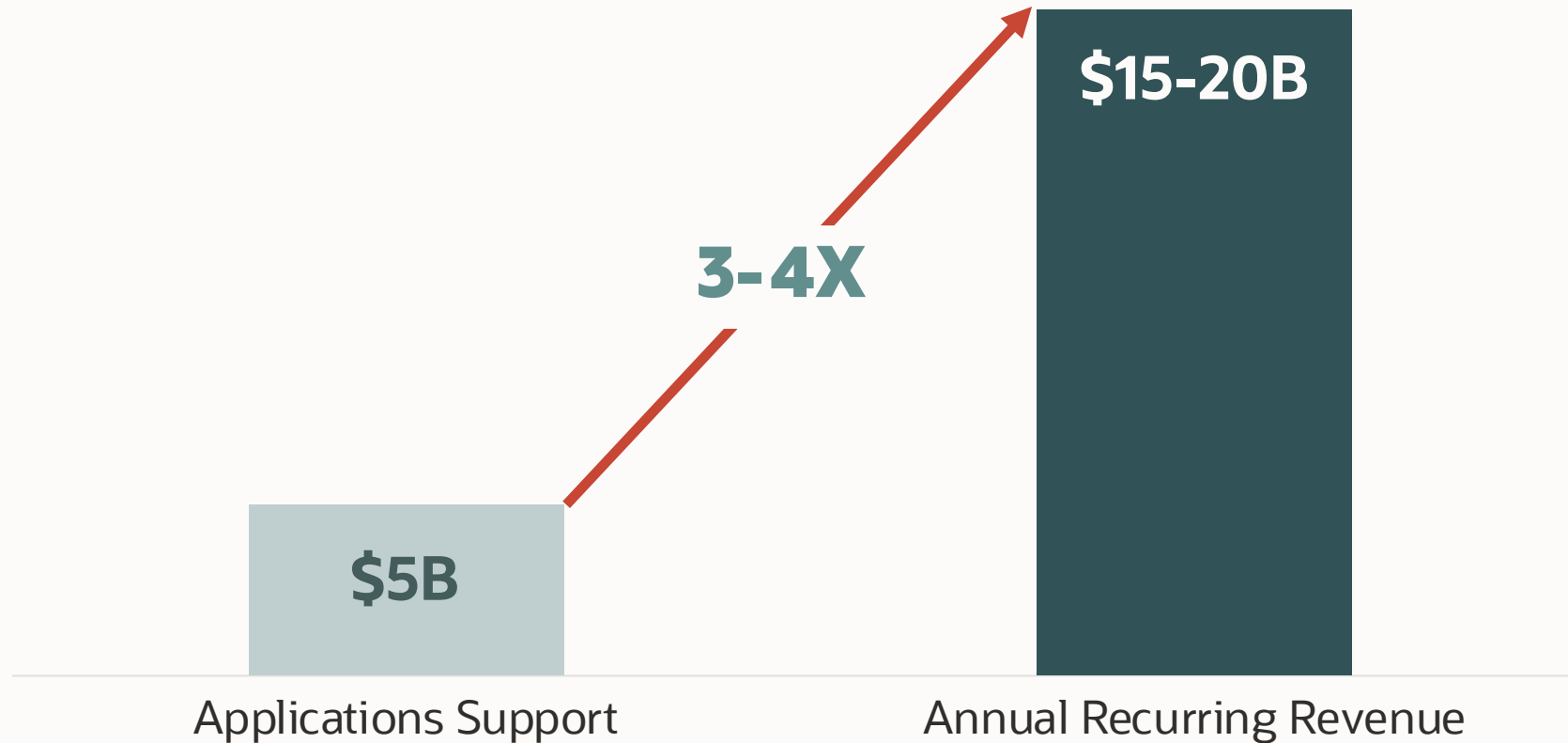


Source: Internal analysis with last-twelve-month (LTM) as of 8/31/22.



And a Large Additional Revenue Opportunity Exists as Our Applications Support Customers Move to the Cloud

Incremental revenue opportunity is around \$10-15 billion



Source: Internal analysis using last-twelve-month (LTM) applications support revenue as of 8/31/22. Conversion uplift based on historical yields.

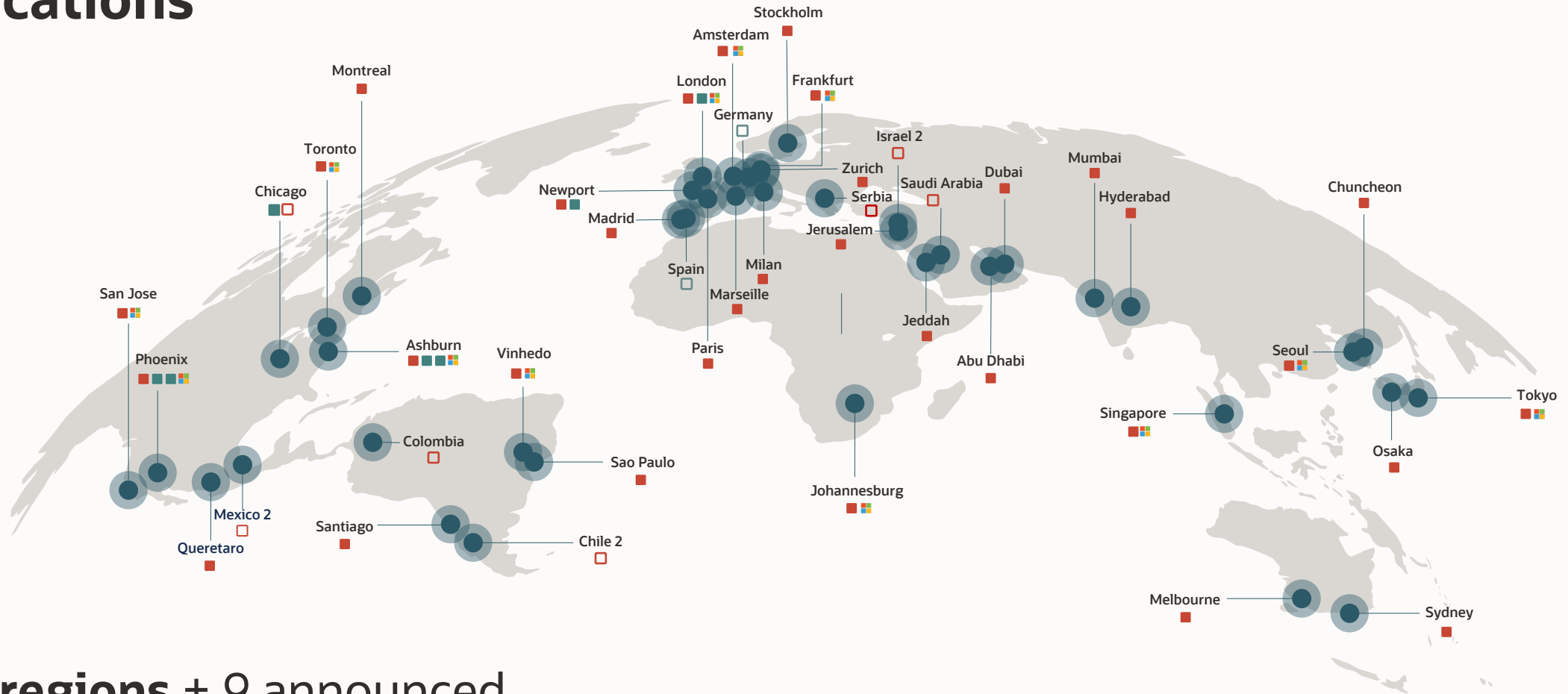


Winning More and Bigger Cloud Infrastructure Deals

In 2016, Oracle Had One Public Data Center Providing Five Cloud Services



Oracle Cloud Infrastructure Now Has the Most Global Locations



40 regions + 9 announced
12 Interconnect for Azure regions

Commercial Commercial Planned
Government Sovereign Planned
Interconnect for Azure



Oracle Has Grown its Infrastructure Services Faster Than Any Other Cloud Provider

- IAM
- VCN
- Bare Metal Compute
- Block Volume
- Object Storage

- VM Compute
- X7 Compute Platform
- Bare Metal DBaaS
- VM DBaaS / RAC
- Exadata Cloud
- Windows images
- Load Balancing
- Auditing
- FastConnect
- Archive Storage
- Block Volume Cloning
- Identity Federation
- NTP

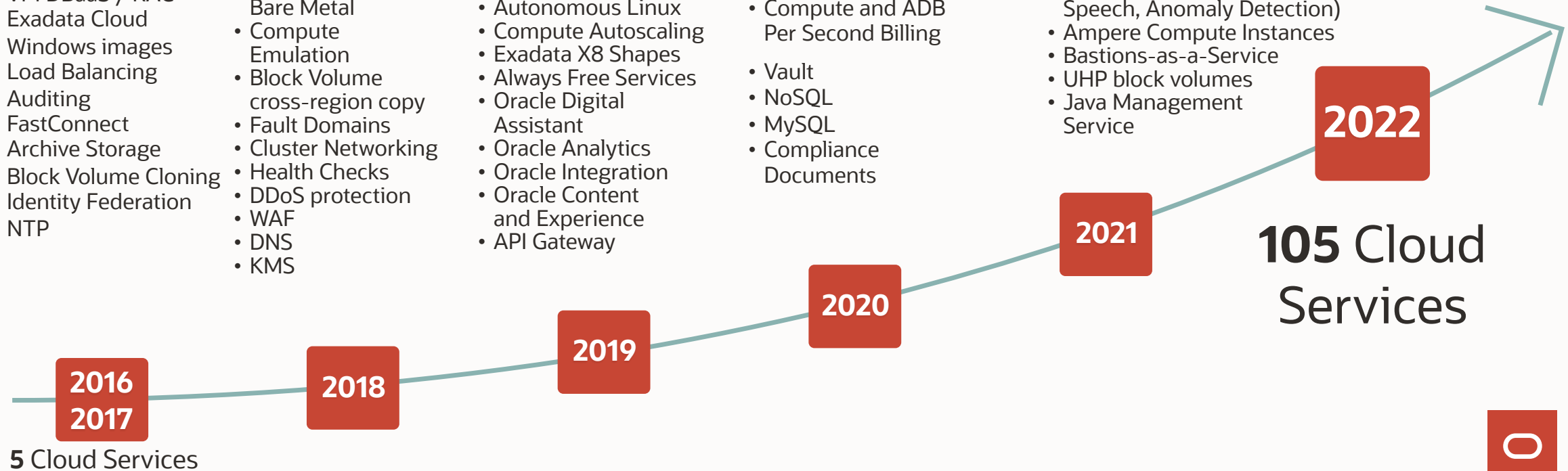
- Container Engine for Kubernetes
- Registry
- Autonomous Data Warehouse
- Autonomous Transaction Processing
- Email Delivery
- File Storage
- AMD VMs and Bare Metal
- Compute Emulation
- Block Volume cross-region copy
- Fault Domains
- Cluster Networking
- Health Checks
- DDoS protection
- WAF
- DNS
- KMS

- Functions
- Events
- Streaming
- Resource Manager
- Azure Interconnect
- Data Safe
- Notifications
- Marketplace
- HPC Compute
- Dedicated Compute Hosts
- Autonomous Linux
- Compute Autoscaling
- Exadata X8 Shapes
- Always Free Services
- Oracle Digital Assistant
- Oracle Analytics
- Oracle Integration
- Oracle Content and Experience
- API Gateway

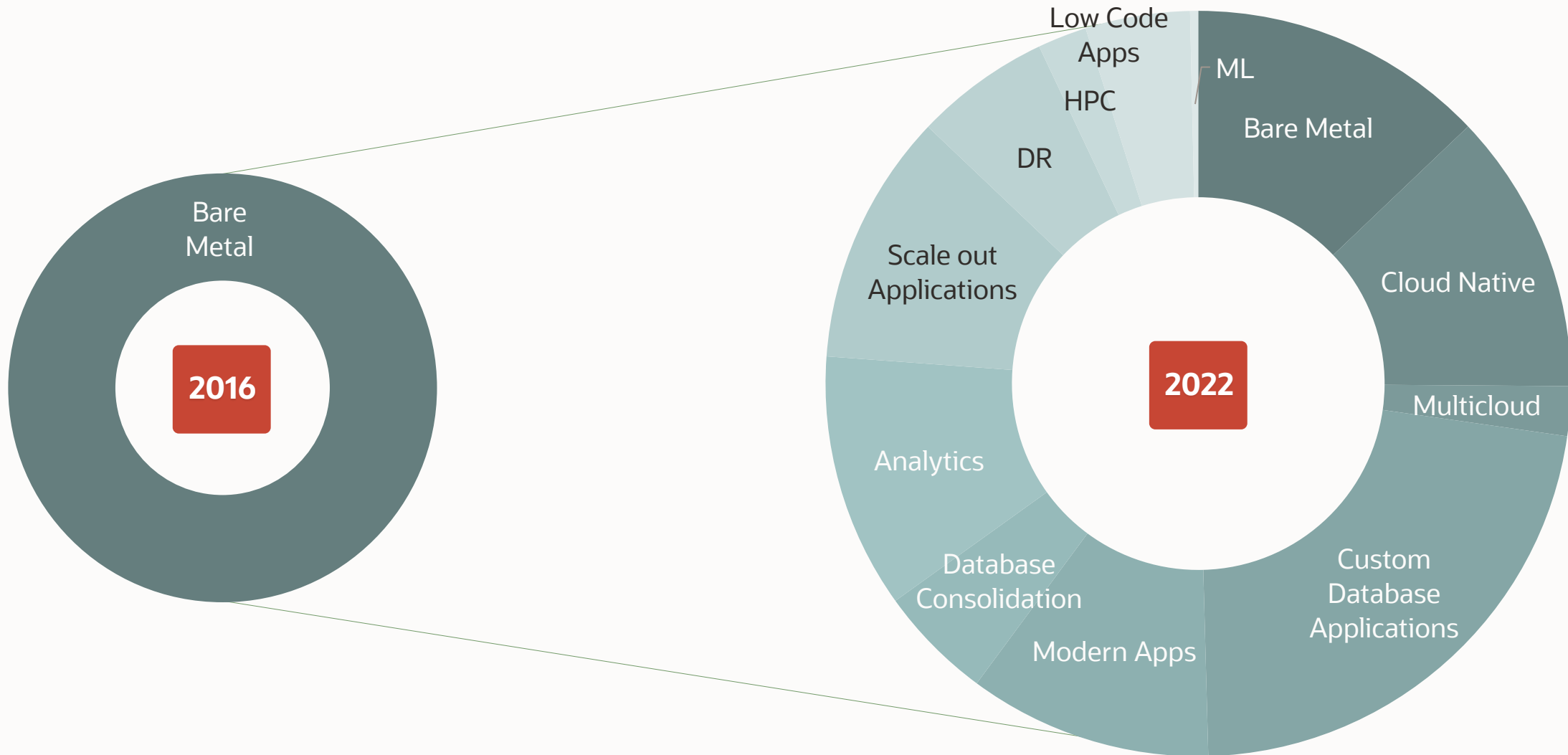
- E3 Flexible Compute
- Data Science
- Data Flow (Spark)
- Data Catalog
- Data Integration
- Oracle Visual Builder
- Object Storage replication
- Object Storage versioning
- Object Storage immutability
- Compute and ADB Per Second Billing
- Vault
- NoSQL
- MySQL
- Compliance Documents

- Application Performance Monitoring
- E4 Flexible Compute
- Network Load Balancer
- Capacity Reservations
- VMware vSphere 7
- Vulnerability Scanning
- VCN Visualization
- DRG-2 (Transit Hub)
- IPv6
- Inter-region latency dashboard
- Object Storage Intelligent Tiering
- Intel X9 shapes
- AI Services (Language, Vision, Speech, Anomaly Detection)
- Ampere Compute Instances
- Bastions-as-a-Service
- UHP block volumes
- Java Management Service

- CI/CD Project Service
- DevOps Deploy Service
- DevOps Build Pipelines
- DevOps Source Code Management
- BDS ODH
- Data Labeling
- OCI Certificate Management
- Integrated LB/WAF
- Identity Domains



Oracle is Capturing Many Different Types of Workloads



Over 18,000 Customers Are Running Oracle Cloud Infrastructure

Deutsche Bank 

 CISCO

 THOMSON REUTERS

 ELEVEN

GoTo 


Pernod Ricard

FedEx®


SoundHound

VOLKSWAGEN FINANCIAL SERVICES
THE KEY TO MOBILITY

 Telefónica

INTEGRA 
LIMIT UNCERTAINTY

Murad®

 vodafone

 TANIUM

 Exelon®

COX
AUTOMOTIVE™



 experian.

 NVIDIA.

NRI

 TOYOTA

 TIM

lyft

SIEMENS

zoom

The Oracle Database is the Most Complete and Simplest Platform and Handles all Data Management Needs

COMPLETE



Converged Database

Complete support for all modern data types, workloads, and development styles

Completely consistent, scalable, available, and secure

SIMPLE

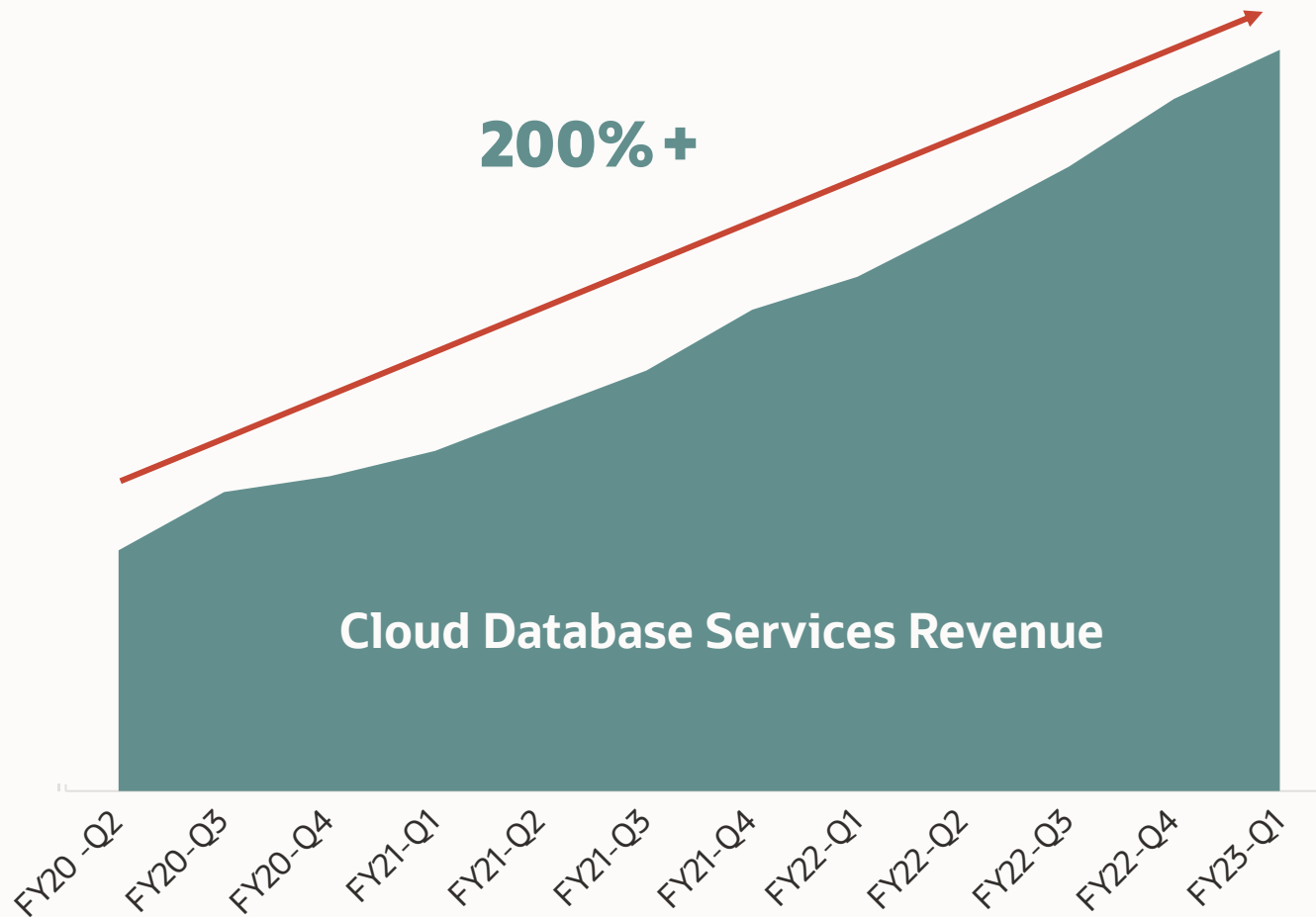


Autonomous Database

Converged DB delivered as a self-driving, self-securing, self-repairing Cloud Database

Simplest DB for developing and running **any** apps or analytics at **any** scale or criticality

Growth of Oracle Cloud Database Services is Accelerating



>50% of Database support base has now upgraded to 19c

- This is the key enabler to further adoption of **Autonomous Database**

Offerings now available via multicloud

- **Oracle Database Service for Azure**
- **MySQL HeatWave for AWS**

Thousands of customers now running Oracle Autonomous Database

AON

Jaylormade

CERN openlab

NEC

xerox

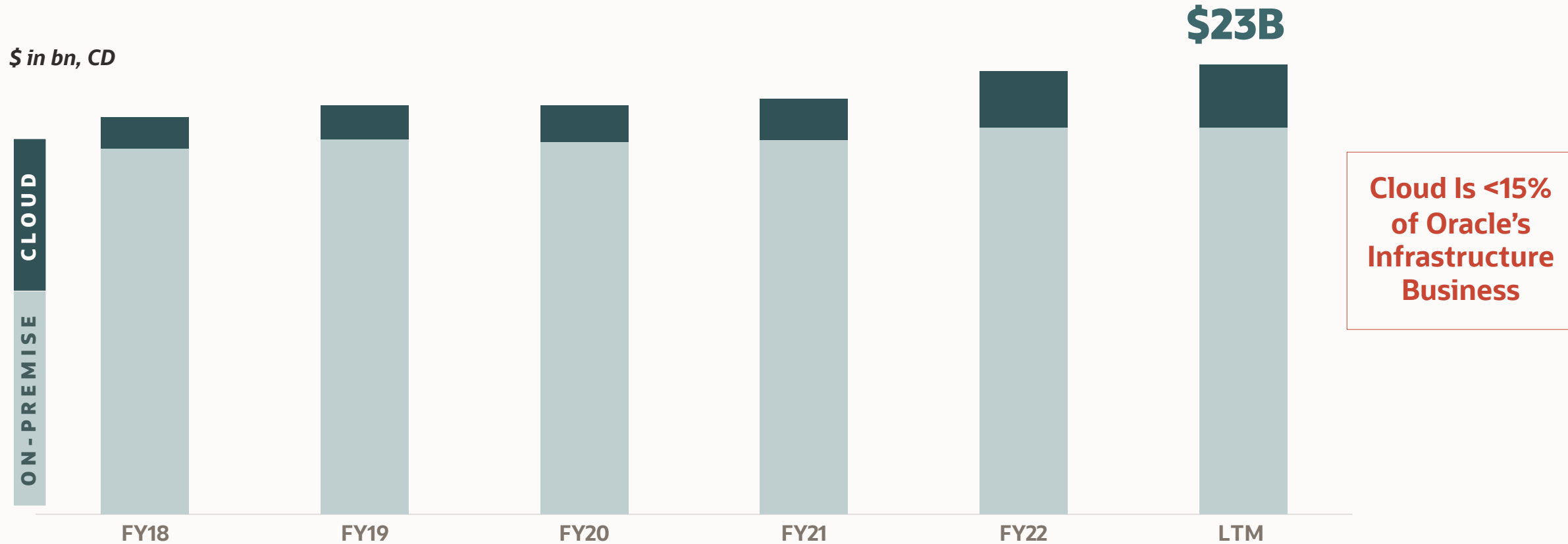
Cognizant

WILSON
TRUCK LINES

SKY

GENERALI

Oracle's Infrastructure Cloud Business Remains in the Early Innings of Transformation

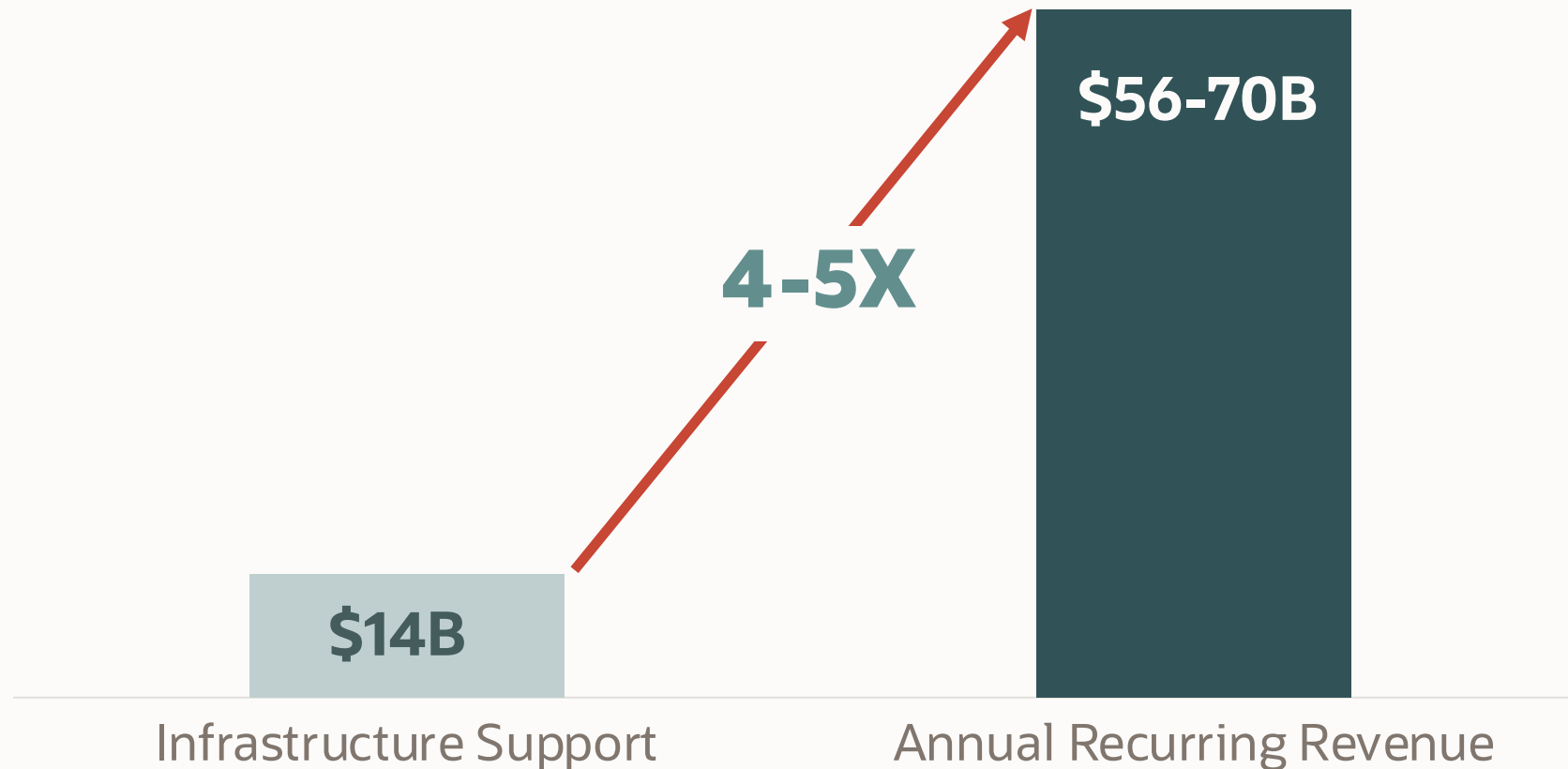


Source: Internal analysis with last-twelve-month (LTM) as of 8/31/22. Excludes >\$1.0 billion in OCI services that are provided internally to run Oracle SaaS applications.



And a Large Additional Revenue Opportunity Exists as Our Infrastructure Support Customers Move to the Cloud

Incremental revenue opportunity is around \$40-55 billion



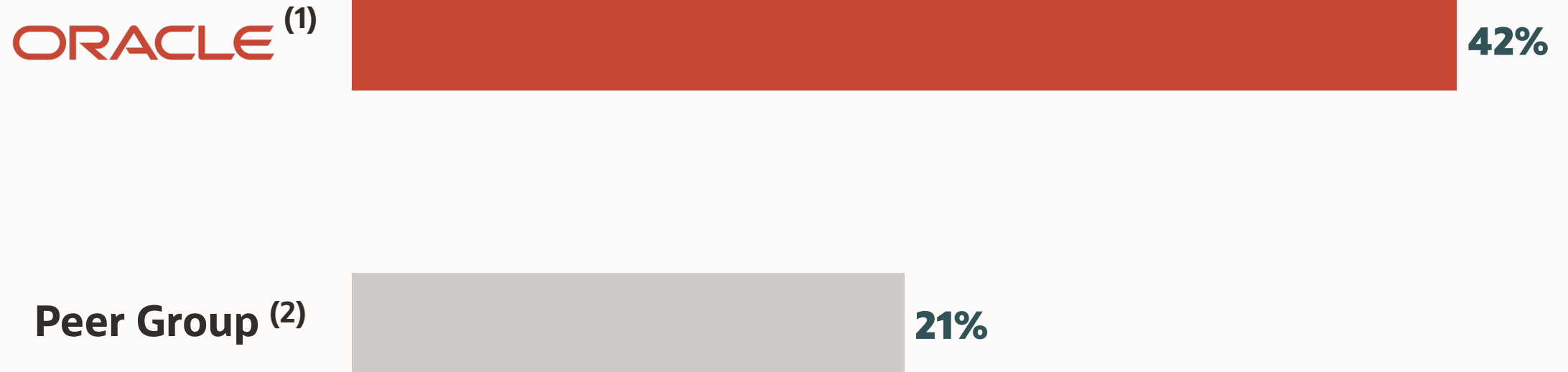
Source: Internal analysis using last-twelve-month (LTM) infrastructure support revenue as of 8/31/22. Conversion uplift based on historical yields.



Scaling our Business to Drive Contribution Margins

Even with Accelerating Revenue Growth, Profitability Remains Key

Oracle's operating margin is **2X** the average of other technology peers



Source: Current fiscal year consensus estimate of non-GAAP operating margin for each company.

(1) Oracle non-GAAP operating margin includes first year impact of Cerner acquisition. Non-GAAP operating margin excludes stock-based compensation, amortization of intangible assets, acquisition and related expenses, and restructuring expenses.

(2) Peer group operating margin includes Amazon, Google, Microsoft, IBM, Salesforce, SAP and Workday.



There are Several Areas Where Oracle is Driving Margin Improvement

Cloud Apps Margin Improvement Opportunities

- Deployment of all instances of Oracle apps on OCI
- Visibility to >5% improvement to Apps cloud gross margins

Cloud Infrastructure Margin Improvement Opportunities

- Majority of new region deployments are largely complete or in-process
- Incremental investments will mainly focus on build out of existing regions or via committed revenue
- Visibility to >20% improvement to Infrastructure cloud gross margins

Operating Expense Efficiency Opportunities

- Drive higher contribution from Cerner as part of Oracle
- Continue to pursue operational excellence as the most efficient enterprise technology provider



The Bottom Line?

For Fiscal Year 2026, Oracle is Targeting the Following

\$65B

Total Organic
Revenue

45%

Operating Margin
(Including Cerner)

>10%

Annual EPS
Growth

Note: Cerner included in the organic base. Operating margin is non-GAAP. Non-GAAP EPS growth rate is in constant currency.



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