

ModernGraham Valuation

Company Name:

Oracle Corporation

Company Ticker ORCL

Date of Analysis

1/29/2019



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$178,674,331,867	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.80	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	22.73%	Fail
5. Earnings Growth	PEmg < 20	24.29	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.12	Fail
7. Moderate Price to Assets			

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.80	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.41	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.05
MG Growth Estimate	-1.01%
MG Value	\$13.29
MG Value based on 3% Growth	\$29.71
MG Value based on 0% Growth	\$17.41
Market Implied Growth Rate	7.90%

MG Opinion

Current Price	\$49.77
% of Intrinsic Value	374.49%
Opinion	Overvalued
MG Grade	D

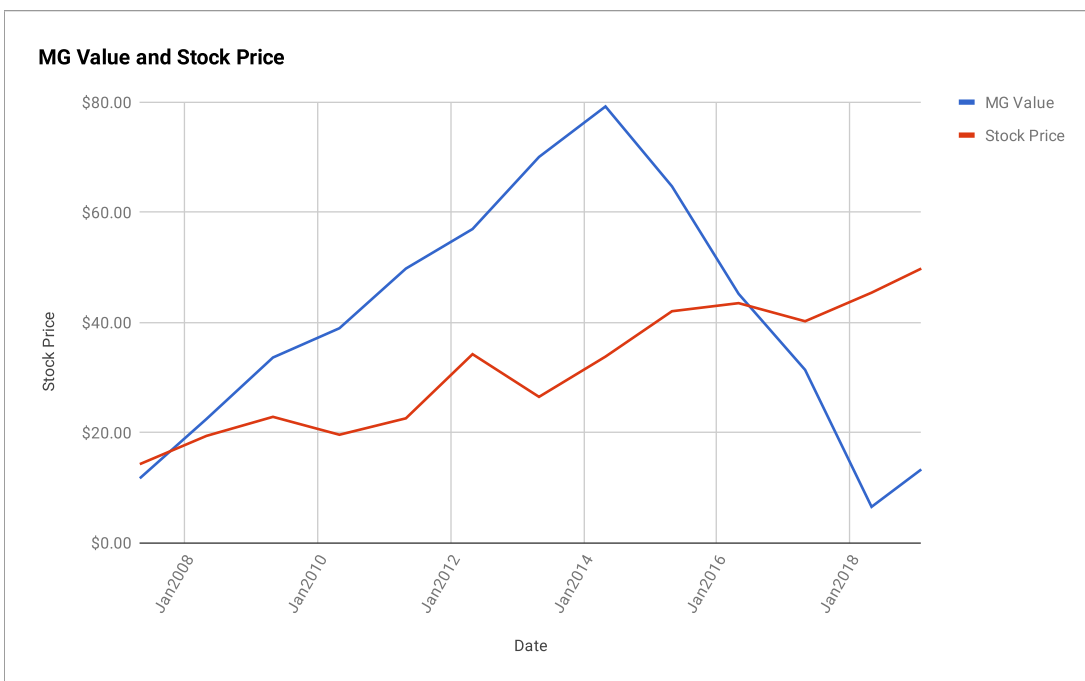
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.94
Graham Number	\$26.99
PEmg	24.29
Current Ratio	2.80
PB Ratio	6.12
Current Dividend	\$0.76
Dividend Yield	1.53%
Number of Consecutive Years of Dividend Growth	10

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$2.05
May2018	\$2.83	May2018	\$1.76
May2017	\$0.90	May2017	\$2.20
May2016	\$2.21	May2016	\$2.19
May2015	\$2.07	May2015	\$2.20
May2014	\$2.21	May2014	\$2.09
May2013	\$2.38	May2013	\$1.84
May2012	\$2.26	May2012	\$1.56
May2011	\$1.96	May2011	\$1.29
May2010	\$1.67	May2010	\$1.06
May2009	\$1.21	May2009	\$0.93
May2008	\$1.09	May2008	\$0.80
May2007	\$1.06	May2007	\$0.65
May2006	\$0.81	May2006	\$0.54
May2005	\$0.64	May2005	\$0.48
May2004	\$0.55	May2004	\$0.49
May2003	\$0.50	May2003	\$0.49
May2002	\$0.43	Balance Sheet Information 11/1/2018	
May2001	\$0.39	Total Current Assets	\$56,938,000,000
May2000	\$0.44	Total Current Liabilities	\$20,315,000,000
May2000	\$1.05	Long-Term Debt	\$51,561,000,000
May1999	\$0.22	Total Assets	\$118,318,000,000
		Intangible Assets	\$49,881,000,000
		Total Liabilities	\$87,263,000,000
		Shares Outstanding (Diluted Average)	3,817,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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[Microsoft Corporation Valuation – November 2018 \\$MSFT](#)
[Cisco Systems Inc Valuation – November 2018 \\$CSCO](#)
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