

[Table of Contents](#)
PART I. FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited)

ORACLE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
As of August 31, 2023 and May 31, 2023
(Unaudited)

(in millions, except per share data)	August 31, 2023	May 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,613	\$ 9,765
Marketable securities	470	422
Trade receivables, net of allowances for credit losses of \$445 and \$428 as of August 31, 2023 and May 31, 2023, respectively	6,519	6,915
Prepaid expenses and other current assets	3,564	3,902
Total current assets	22,166	21,004
Non-current assets:		
Property, plant and equipment, net	17,644	17,069
Intangible assets, net	9,074	9,837
Goodwill, net	62,206	62,261
Deferred tax assets	12,243	12,226
Other non-current assets	13,329	11,987
Total non-current assets	114,496	113,380
Total assets	\$ 136,662	\$ 134,384
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and other borrowings, current	\$ 4,499	\$ 4,061
Accounts payable	1,034	1,204
Accrued compensation and related benefits	1,818	2,053
Deferred revenues	11,120	8,970
Other current liabilities	6,886	6,802
Total current liabilities	25,357	23,090
Non-current liabilities:		
Notes payable and other borrowings, non-current	84,442	86,420
Income taxes payable	11,201	11,077
Deferred tax liabilities	5,281	5,772
Other non-current liabilities	7,540	6,469
Total non-current liabilities	108,464	109,738
Commitments and contingencies		
Oracle Corporation stockholders' equity:		
Preferred stock, \$0.01 par value—authorized: 1.0 shares; outstanding: none	—	—
Common stock, \$0.01 par value and additional paid in capital—authorized: 11,000 shares; outstanding: 2,739 shares and 2,713 shares as of August 31, 2023 and May 31, 2023, respectively	30,295	30,215
Accumulated deficit	(26,428)	(27,620)
Accumulated other comprehensive loss	(1,497)	(1,522)
Total Oracle Corporation stockholders' equity	2,370	1,073
Noncontrolling interests	471	483
Total stockholders' equity	2,841	1,556
Total liabilities and stockholders' equity	\$ 136,662	\$ 134,384

See notes to condensed consolidated financial statements.

ORACLE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended August 31, 2023 and 2022
(Unaudited)

(in millions, except per share data)	Three Months Ended August 31,	
	2023	2022
Revenues:		
Cloud services and license support	\$ 9,547	\$ 8,417
Cloud license and on-premise license	809	904
Hardware	714	763
Services	1,383	1,361
Total revenues	12,453	11,445
Operating expenses:		
Cloud services and license support ⁽¹⁾	2,179	1,735
Hardware ⁽¹⁾	219	249
Services ⁽¹⁾	1,212	1,053
Sales and marketing ⁽¹⁾	2,026	2,177
Research and development	2,216	2,093
General and administrative	393	411
Amortization of intangible assets	763	919
Acquisition related and other	11	41
Restructuring	138	144
Total operating expenses	9,157	8,822
Operating income	3,296	2,623
Interest expense	(872)	(787)
Non-operating expenses, net	(49)	(180)
Income before income taxes	2,375	1,656
Benefit from (provision for) income taxes	45	(108)
Net income	\$ 2,420	\$ 1,548
Earnings per share:		
Basic	\$ 0.89	\$ 0.58
Diluted	\$ 0.86	\$ 0.56
Weighted average common shares outstanding:		
Basic	2,728	2,685
Diluted	2,823	2,747

⁽¹⁾ Exclusive of amortization of intangible assets, which is shown separately.

See notes to condensed consolidated financial statements.

ORACLE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three Months Ended August 31, 2023 and 2022
(Unaudited)

(in millions)	Three Months Ended August 31,	
	2023	2022
Net income	\$ 2,420	\$ 1,548
Other comprehensive income (loss), net of tax:		
Net foreign currency translation losses	(44)	(288)
Net unrealized gains on cash flow hedges	72	17
Other, net	(3)	(1)
Total other comprehensive income (loss), net	25	(272)
Comprehensive income	<u>\$ 2,445</u>	<u>\$ 1,276</u>

See notes to condensed consolidated financial statements.

ORACLE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
For the Three Months Ended August 31, 2023 and 2022
(Unaudited)

(in millions, except per share data)	Three Months Ended August 31,	
	2023	2022
Common stock and additional paid in capital		
Balance, beginning of period	\$ 30,215	\$ 26,808
Common stock issued	308	515
Stock-based compensation	849	750
Repurchases of common stock	(13)	(73)
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(1,060)	(829)
Other, net	(4)	53
Balance, end of period	\$ 30,295	\$ 27,224
Accumulated deficit		
Balance, beginning of period	\$ (27,620)	\$ (31,336)
Repurchases of common stock	(137)	(486)
Cash dividends declared	(1,091)	(860)
Net income	2,420	1,548
Balance, end of period	\$ (26,428)	\$ (31,134)
Other stockholders' equity (deficit), net		
Balance, beginning of period	\$ (1,039)	\$ (1,240)
Other comprehensive income (loss), net	25	(272)
Other, net	(12)	(27)
Balance, end of period	\$ (1,026)	\$ (1,539)
Total stockholders' equity (deficit)	\$ 2,841	\$ (5,449)
Cash dividends declared per common share	<u>\$ 0.40</u>	<u>\$ 0.32</u>

See notes to condensed consolidated financial statements.

ORACLE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended August 31, 2023 and 2022
(Unaudited)

(in millions)	Three Months Ended August 31,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 2,420	\$ 1,548
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	712	547
Amortization of intangible assets	763	919
Deferred income taxes	(517)	(344)
Stock-based compensation	849	750
Other, net	169	156
Changes in operating assets and liabilities, net of effects from acquisitions:		
Decrease in trade receivables, net	380	761
Decrease in prepaid expenses and other assets	269	44
Decrease in accounts payable and other liabilities	(457)	(166)
Increase in income taxes payable	69	145
Increase in deferred revenues	2,317	2,034
Net cash provided by operating activities	6,974	6,394
Cash flows from investing activities:		
Purchases of marketable securities and other investments	(333)	(57)
Proceeds from sales and maturities of marketable securities and other investments	85	138
Acquisitions, net of cash acquired	—	(27,798)
Capital expenditures	(1,314)	(1,719)
Net cash used for investing activities	(1,562)	(29,436)
Cash flows from financing activities:		
Payments for repurchases of common stock	(150)	(552)
Proceeds from issuances of common stock	308	515
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(1,060)	(829)
Payments of dividends to stockholders	(1,091)	(860)
Repayments of commercial paper	(562)	—
Proceeds from issuances of senior notes and other borrowings, net of issuance costs	—	20,046
Repayments of senior notes and other borrowings	(1,000)	(5,883)
Other, net	27	(127)
Net cash (used for) provided by financing activities	(3,528)	12,310
Effect of exchange rate changes on cash and cash equivalents	(36)	(203)
Net increase (decrease) in cash and cash equivalents	1,848	(10,935)
Cash and cash equivalents at beginning of period	9,765	21,383
Cash and cash equivalents at end of period	\$ 11,613	\$ 10,448
Non-cash financing activities:		
Fair values of stock awards assumed in connection with acquisitions	\$ —	\$ 55

See notes to condensed consolidated financial statements.