

Oracle Misses Forecasts

Written by Marco Attard
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Oracle fiscal Q1 2014 revenues grow by 2% Y-o-Y to \$8.38 billion-- below the expectations of analysts hoping for revenues worth \$8.48bn, making the quarter the third of consecutive failure to hit Wall Street expectations.



Net income totals \$2.19bn with 7.9% growth.

Fiscal Q1 2014 has Oracle making 20% of revenues from new software licenses, 53% from license updates and product support, and 15% from hardware.

The company sees growing revenues in new software licenses and cloud software subscriptions (up by 5% Y-o-Y to \$1.7bn), as well as software license updates and product support (7% Y-o-Y growth to \$4.43bn). Results remain less rosy when it comes to hardware-- the business unit reports Y-o-Y declines of -14.1% (or -21.2% Q-o-Q) on revenues worth \$669 million, the worst performance for the unit since Q3 2010.

Such declines are significant, seeing how Oracle is still to reap significant profit from 2010 \$7.4bn acquisition Sun Microsystems.

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“Engineered systems had its best ever Q1 in terms of unit sales, growing over 60% compared with the same quarter last year,” Oracle President Mark Hurd says. The company also sees growth from hardware support, with revenues growing by 3.1% Y-o-Y to \$592m.

The growth Oracle sees in cloud (as opposed to hardware) disproves CEO Larry Ellison, who back in 2009 used to describe the cloud as "complete gibberish." Then again, the company recently [kissed and made up with Microsoft and Salesforce.com](#) , so stranger things have happened...

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