

Cloud Props Oracle Fiscal Q4

Written by Marco Attard
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Oracle disappoints Wall Street on fiscal Q4 2015, as revenues drop by -5% Y-o-Y to \$10.7 billion and profits reach \$2.78bn, down from the \$3.6bn recorded on the same quarter last year.



The cloud is the one bright spot in Oracle's fiscal Q4, even as it records software and cloud revenues dropping by -6% Y-o-Y to \$8.4bn. Analysts attribute such declines to the different payment system the cloud involves-- whereas under the previous perpetual license system the company can book the full price of software sold as revenue upfront, cloud revenues are booked over the time of the subscription period.

Fiscal Q4 2015 software-as-a-service (SaaS) and platform-as-a-service (PaaS) total \$416 million with 29% Y-o-Y, infrastructure-as-a-service (IaaS) revenues reach \$160m with 25% Y-o-Y growth and hardware systems revenues drop by -4% Y-o-Y to \$1.4bn.

For overall fiscal 2015 the company reports essentially flat revenues worth \$38.2bn, with software and cloud revenues reaching \$29.5bn with 1% growth, SaaS and PaaS revenues growing by 32% to \$608m and hardware revenues dropping by -3% to \$5.2bn.

"We expect to book between \$1.5 and \$2.0bn of new SaaS and PaaS business this fiscal year," Oracle founder and CTO Larry Ellison says. "That means Oracle would sell more new SaaS and PaaS business than salesforce.com plans to sell in their current fiscal year-- the only remaining question is how much more. Oracle's planned SaaS and PaaS revenue growth rate is around 60% in constant currency-- salesforce.com has a planned growth rate of around 20%. When you contrast those growth rates it becomes clear that Oracle is on its way to becoming the world's largest enterprise cloud company."

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