

ORACLE CORPORATION
Q1 FISCAL 2026 FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(\$ in millions, except per share data)

	Three Months Ended August 31,				% Increase (Decrease) in US \$	% Increase (Decrease) in Constant Currency (1)
	2025	% of Revenues	2024	% of Revenues		
REVENUES						
Cloud	\$ 7,186	48%	\$ 5,623	42%	28%	27%
Software	5,721	38%	5,766	44%	(1%)	(2%)
Hardware	670	5%	655	5%	2%	1%
Services	1,349	9%	1,263	9%	7%	5%
Total revenues	14,926	100%	13,307	100%	12%	11%
OPERATING EXPENSES						
Cloud and software	3,607	24%	2,597	19%	39%	38%
Hardware	178	1%	162	1%	10%	9%
Services	1,099	7%	1,147	9%	(4%)	(5%)
Sales and marketing	2,063	14%	2,036	15%	1%	0%
Research and development	2,491	17%	2,306	17%	8%	8%
General and administrative	376	2%	358	3%	5%	4%
Amortization of intangible assets	420	3%	624	5%	(33%)	(33%)
Acquisition related and other	13	0%	13	0%	10%	8%
Restructuring	402	3%	73	1%	448%	439%
Total operating expenses	10,649	71%	9,316	70%	14%	14%
OPERATING INCOME	4,277	29%	3,991	30%	7%	4%
Interest expense	(923)	(6%)	(842)	(6%)	10%	10%
Non-operating income, net	73	0%	20	0%	250%	286%
INCOME BEFORE INCOME TAXES	3,427	23%	3,169	24%	8%	4%
Provision for income taxes (2)	500	3%	240	2%	108%	101%
NET INCOME	\$ 2,927	20%	\$ 2,929	22%	0%	(4%)
EARNINGS PER SHARE:						
Basic	\$ 1.04		\$ 1.06			
Diluted	\$ 1.01		\$ 1.03			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	2,826		2,761			
Diluted	2,909		2,851			

(1) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rates in effect on May 31, 2025, which was the last day of our prior fiscal year, rather than the actual exchange rates in effect during the respective periods. Movements in international currencies relative to the United States dollar during the three months ended August 31, 2025 compared with the corresponding prior year period increased our total revenues by 1 percentage point and operating income by 3 percentage points.

(2) Provision for income taxes for the first quarter of fiscal 2026 includes the impact of the One, Big, Beautiful Bill Act, which was signed into law on July 4, 2025.

ORACLE CORPORATION
Q1 FISCAL 2026 FINANCIAL RESULTS
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES (1)
(\$ in millions, except per share data)

	Three Months Ended August 31,						% Increase (Decrease) in US \$		% Increase (Decrease) in Constant Currency (2)	
	2025		2025		2024		2024			
	GAAP	Adj.	Non-GAAP		GAAP	Adj.	Non-GAAP		GAAP	Non-GAAP
TOTAL REVENUES	\$ 14,926	\$ -	\$ 14,926		\$ 13,307	\$ -	\$ 13,307		12%	12%
TOTAL OPERATING EXPENSES	\$ 10,649	\$ (1,959)	\$ 8,690		\$ 9,316	\$ (1,717)	\$ 7,599		14%	14%
Stock-based compensation (3)	1,124	(1,124)	-		1,007	(1,007)	-		12%	*
Amortization of intangible assets (4)	420	(420)	-		624	(624)	-		(33%)	*
Acquisition related and other	13	(13)	-		13	(13)	-		10%	*
Restructuring	402	(402)	-		73	(73)	-		448%	*
OPERATING INCOME	\$ 4,277	\$ 1,959	\$ 6,236		\$ 3,991	\$ 1,717	\$ 5,708		7%	9%
OPERATING MARGIN %	29%		42%		30%		43%		(133) bp.	(111) bp.
INCOME TAX EFFECTS (5)	\$ 500	\$ 603	\$ 1,103		\$ 240	\$ 682	\$ 922		108%	20%
NET INCOME	\$ 2,927	\$ 1,356	\$ 4,283		\$ 2,929	\$ 1,035	\$ 3,964		0%	8%
DILUTED EARNINGS PER SHARE	\$ 1.01		\$ 1.47		\$ 1.03		\$ 1.39		(2%)	6%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	2,909	-	2,909		2,851	-	2,851		2%	2%

(1) This presentation includes non-GAAP measures. Our non-GAAP 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. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures, the usefulness of these measures and the material limitations on the usefulness of these measures, please see Appendix A.

(2) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rates in effect on May 31, 2025, which was the last day of our prior fiscal year, rather than the actual exchange rates in effect during the respective periods.

(3) Stock-based compensation was included in the following GAAP operating expense categories:

	Three Months Ended August 31, 2025			Three Months Ended August 31, 2024		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Cloud and software	\$ 156	\$ (156)	\$ -	\$ 141	\$ (141)	\$ -
Hardware	7	(7)	-	6	(6)	-
Services	49	(49)	-	43	(43)	-
Sales and marketing	177	(177)	-	162	(162)	-
Research and development	647	(647)	-	569	(569)	-
General and administrative	88	(88)	-	86	(86)	-
Total stock-based compensation	\$ 1,124	\$ (1,124)	\$ -	\$ 1,007	\$ (1,007)	\$ -

(4) Estimated future annual amortization expense related to intangible assets as of August 31, 2025 was as follows:

Remainder of fiscal 2026	\$ 1,219
Fiscal 2027	672
Fiscal 2028	635
Fiscal 2029	561
Fiscal 2030	522
Fiscal 2031	332
Thereafter	226
Total intangible assets, net	\$ 4,167

(5) Income tax effects were calculated reflecting an effective GAAP tax rate of 14.6% and 7.6% in the first quarter of fiscal 2026 and 2025, respectively, and an effective non-GAAP tax rate of 20.5% and 18.9% in the first quarter of fiscal 2026 and 2025, respectively. The difference in our GAAP and non-GAAP tax rates in the first quarter of fiscal 2026 was primarily due to the net tax effects related to stock-based compensation expense; acquisition related and other items, including the tax effects on amortization of intangible assets; and restructuring expense, partially offset by the impact of the One, Big, Beautiful Bill Act (refer to Appendix A for additional information), and net deferred tax effects related to an income tax benefit that was previously recorded due to the partial realignment of our legal entity structure. The difference in our GAAP and non-GAAP tax rates in the first quarter of fiscal 2025 was primarily due to the net tax effects related to stock-based compensation expense; acquisition related and other items, including the tax effects on amortization of intangible assets; and restructuring expense, partially offset by the net deferred tax effects related to an income tax benefit that was previously recorded due to the partial realignment of our legal entity structure.

* Not meaningful

ORACLE CORPORATION
Q1 FISCAL 2026 FINANCIAL RESULTS
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in millions)

	August 31, 2025	May 31, 2025
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 10,445	\$ 10,786
Marketable securities	560	417
Trade receivables, net	8,843	8,558
Prepaid expenses and other current assets	4,786	4,818
Total Current Assets	24,634	24,579
Non-Current Assets:		
Property, plant and equipment, net	53,194	43,522
Intangible assets, net	4,167	4,587
Goodwill	62,211	62,207
Deferred tax assets	11,734	11,877
Other non-current assets	24,509	21,589
Total Non-Current Assets	155,815	143,782
TOTAL ASSETS	\$ 180,449	\$ 168,361
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and other borrowings, current	\$ 9,079	\$ 7,271
Accounts payable	8,203	5,113
Accrued compensation and related benefits	1,794	2,243
Deferred revenues	12,098	9,387
Other current liabilities	8,700	8,629
Total Current Liabilities	39,874	32,643
Non-Current Liabilities:		
Notes payable and other borrowings, non-current	82,236	85,297
Income taxes payable	10,583	10,269
Operating lease liabilities	14,094	11,536
Other non-current liabilities	8,996	7,647
Total Non-Current Liabilities	115,909	114,749
Stockholders' Equity	24,666	20,969
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 180,449	\$ 168,361

ORACLE CORPORATION

Q1 FISCAL 2026 FINANCIAL RESULTS CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (\$ in millions)

	Three Months Ended August 31,	
	2025	2024
Cash Flows From Operating Activities:		
Net income	\$ 2,927	\$ 2,929
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,351	804
Amortization of intangible assets	420	624
Deferred income taxes	515	(151)
Stock-based compensation	1,124	1,007
Other, net	164	130
Changes in operating assets and liabilities:		
Increase in trade receivables, net	(245)	(81)
Decrease in prepaid expenses and other assets	59	367
Decrease in accounts payable and other liabilities	(334)	(531)
(Decrease) increase in income taxes payable	(391)	24
Increase in deferred revenues	2,550	2,305
Net cash provided by operating activities	8,140	7,427
Cash Flows From Investing Activities:		
Purchases of marketable securities and other investments	(471)	(477)
Proceeds from sales and maturities of marketable securities and other investments	255	15
Capital expenditures	(8,502)	(2,303)
Net cash used for investing activities	(8,718)	(2,765)
Cash Flows From Financing Activities:		
Payments for repurchases of common stock	(95)	(150)
Proceeds from issuances of common stock	1,170	179
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(17)	(851)
Payments of dividends to stockholders	(1,413)	(1,103)
Repayments of commercial paper, net	(238)	(396)
Proceeds from issuances of term loan credit agreements	-	5,627
Repayments of senior notes and other borrowings	(1,052)	(7,630)
Other financing activities, net	1,855	(261)
Net cash provided by (used for) financing activities	210	(4,585)
Effect of exchange rate changes on cash and cash equivalents	27	85
Net (decrease) increase in cash and cash equivalents	(341)	162
Cash and cash equivalents at beginning of period	10,786	10,454
Cash and cash equivalents at end of period	\$ 10,445	\$ 10,616

ORACLE CORPORATION
Q1 FISCAL 2026 FINANCIAL RESULTS
FREE CASH FLOW - TRAILING 4-QUARTERS (1)
(\$ in millions)

	Fiscal 2025				Fiscal 2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP Operating Cash Flow	\$ 19,126	\$ 20,287	\$ 20,745	\$ 20,821	\$ 21,534			
Capital Expenditures	(7,855)	(10,745)	(14,933)	(21,215)	(27,414)			
Free Cash Flow	\$ 11,271	\$ 9,542	\$ 5,812	\$ (394)	\$ (5,880)			
Operating Cash Flow % Growth over prior year	8%	19%	14%	12%	13%			
Free Cash Flow % Growth over prior year	19%	(6%)	(53%)	(103%)	(152%)			
GAAP Net Income	\$ 10,976	\$ 11,624	\$ 12,160	\$ 12,443	\$ 12,441			
Operating Cash Flow as a % of Net Income	174%	175%	171%	167%	173%			
Free Cash Flow as a % of Net Income	103%	82%	48%	(3%)	(47)%			

(1) To supplement our statements of cash flows presented on a GAAP basis, we use non-GAAP measures of cash flows on a trailing 4-quarter basis to analyze cash flow generated from operations. We believe free cash flow is also useful as one of the bases for comparing our performance with our competitors. The presentation of non-GAAP free cash flow is not meant to be considered in isolation or as an alternative to net income as an indicator of our performance, or as an alternative to cash flows from operating activities as a measure of liquidity.

ORACLE CORPORATION
Q1 FISCAL 2026 FINANCIAL RESULTS
SUPPLEMENTAL ANALYSIS OF GAAP REVENUES (1)
(\$ in millions)

	Fiscal 2025					Fiscal 2026				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
REVENUES BY OFFERINGS										
Cloud	\$ 5,623	\$ 5,937	\$ 6,210	\$ 6,737	\$ 24,506	\$ 7,186				\$ 7,186
Software license	870	1,195	1,129	2,007	5,201	766				766
Software support	4,896	4,869	4,797	4,961	19,523	4,955				4,955
Software	5,766	6,064	5,926	6,968	24,724	5,721				5,721
Hardware	655	728	703	850	2,936	670				670
Services	1,263	1,330	1,291	1,348	5,233	1,349				1,349
Total revenues	\$ 13,307	\$ 14,059	\$ 14,130	\$ 15,903	\$ 57,399	\$ 14,926				\$ 14,926
AS REPORTED REVENUE GROWTH RATES										
Cloud	21%	24%	23%	27%	24%	28%				28%
Software license	7%	1%	(10%)	9%	2%	(12%)				(12%)
Software support	0%	0%	(2%)	1%	0%	1%				1%
Software	1%	0%	(4%)	3%	0%	(1%)				(1%)
Hardware	(8%)	(4%)	(7%)	1%	(4%)	2%				2%
Services	(9%)	(3%)	(1%)	(2%)	(4%)	7%				7%
Total revenues	7%	9%	6%	11%	8%	12%				12%
CONSTANT CURRENCY REVENUE GROWTH RATES (2)										
Cloud	22%	24%	25%	27%	24%	27%				27%
Software license	8%	3%	(8%)	8%	3%	(13%)				(13%)
Software support	0%	0%	0%	0%	0%	(1%)				(1%)
Software	1%	0%	(2%)	2%	1%	(2%)				(2%)
Hardware	(8%)	(3%)	(5%)	0%	(4%)	1%				1%
Services	(8%)	(3%)	1%	(2%)	(3%)	5%				5%
Total revenues	8%	9%	8%	11%	9%	11%				11%
CLOUD REVENUES BY OFFERINGS										
Cloud applications	\$ 3,469	\$ 3,503	\$ 3,558	\$ 3,742	\$ 14,272	\$ 3,839				\$ 3,839
Cloud infrastructure	2,154	2,434	2,652	2,995	10,234	3,347				3,347
Total cloud revenues	\$ 5,623	\$ 5,937	\$ 6,210	\$ 6,737	\$ 24,506	\$ 7,186				\$ 7,186
AS REPORTED REVENUE GROWTH RATES										
Cloud applications	10%	10%	9%	12%	10%	11%				11%
Cloud infrastructure	45%	52%	49%	52%	50%	55%				55%
Total cloud revenues	21%	24%	23%	27%	24%	28%				28%
CONSTANT CURRENCY REVENUE GROWTH RATES (2)										
Cloud applications	10%	10%	10%	11%	10%	10%				10%
Cloud infrastructure	46%	52%	51%	52%	51%	54%				54%
Total cloud revenues	22%	24%	25%	27%	24%	27%				27%
GEOGRAPHIC REVENUES										
Americas	\$ 8,372	\$ 8,933	\$ 9,000	\$ 10,034	\$ 36,339	\$ 9,662				\$ 9,662
Europe/Middle East/Africa	3,228	3,381	3,421	3,996	14,025	3,481				3,481
Asia Pacific	1,707	1,745	1,709	1,873	7,035	1,783				1,783
Total revenues	\$ 13,307	\$ 14,059	\$ 14,130	\$ 15,903	\$ 57,399	\$ 14,926				\$ 14,926

(1) The sum of the quarterly information presented may vary from the year-to-date information presented due to rounding.

(2) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rates in effect on May 31, 2025 and 2024 for the fiscal 2026 and fiscal 2025 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

ORACLE CORPORATION
Q1 FISCAL 2026 FINANCIAL RESULTS
EXPLANATION OF NON-GAAP MEASURES

To supplement our financial results presented on a GAAP basis, we use the non-GAAP measures indicated in the tables, which exclude certain business combination accounting entries and expenses related to acquisitions, as well as 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. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures. Our non-GAAP financial measures reflect adjustments based on the following items, as well as the related income tax effects related to each of the below items except for the impact of the One, Big, Beautiful Bill Act:

- Stock-based compensation expenses: We have excluded the effect of stock-based compensation expenses from our non-GAAP operating expenses, income tax effects and net income measures. Although stock-based compensation is a key incentive offered to our employees, and we believe such compensation contributed to the revenues earned during the periods presented and also believe it will contribute to the generation of future period revenues, we continue to evaluate our business performance excluding stock-based compensation expenses. Stock-based compensation expenses will recur in future periods.
- Amortization of intangible assets: We have excluded the effect of amortization of intangible assets from our non-GAAP operating expenses, income tax effects and net income measures. Amortization of intangible assets is inconsistent in amount and frequency and is significantly affected by the timing and size of our acquisitions. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.
- Acquisition related and other expenses; and restructuring expenses: We have excluded the effect of acquisition related and other expenses and the effect of restructuring expenses from our non-GAAP operating expenses, income tax effects and net income measures. We incurred expenses in connection with our acquisitions and also incurred certain other operating expenses or income, which we generally would not have otherwise incurred in the periods presented as a part of our continuing operations. Acquisition related and other expenses consisted of personnel-related costs for transitional and certain other employees, certain business combination adjustments including certain adjustments after the measurement period has ended, and certain other operating items, net. Restructuring expenses consisted of employee severance and other exit costs. We believe it is useful for investors to understand the effects of these items on our total operating expenses. Although acquisition related and other expenses and restructuring expenses may diminish over time with respect to past acquisitions and/or strategic initiatives, we generally will incur certain of these expenses in connection with any future acquisitions and/or strategic initiatives.
- Impact of the One, Big, Beautiful Bill Act (OBBBA): OBBBA was signed into law on July 4, 2025. We recorded a net tax expense of \$958 million during the first quarter of fiscal 2026, primarily related to the remeasurement of a deferred tax liability previously recorded during fiscal 2021, as part of the partial realignment of our legal entity structure. We have excluded the impact of this charge from our non-GAAP income taxes and net income measures in the first quarter of fiscal 2026. We believe making these adjustments provides insight to our operating performance and comparability to past operating results.