

debt situation; for the 3 months ended August 2021 (3Q21), it repurchased 94 million shares for a total of \$8 billion.

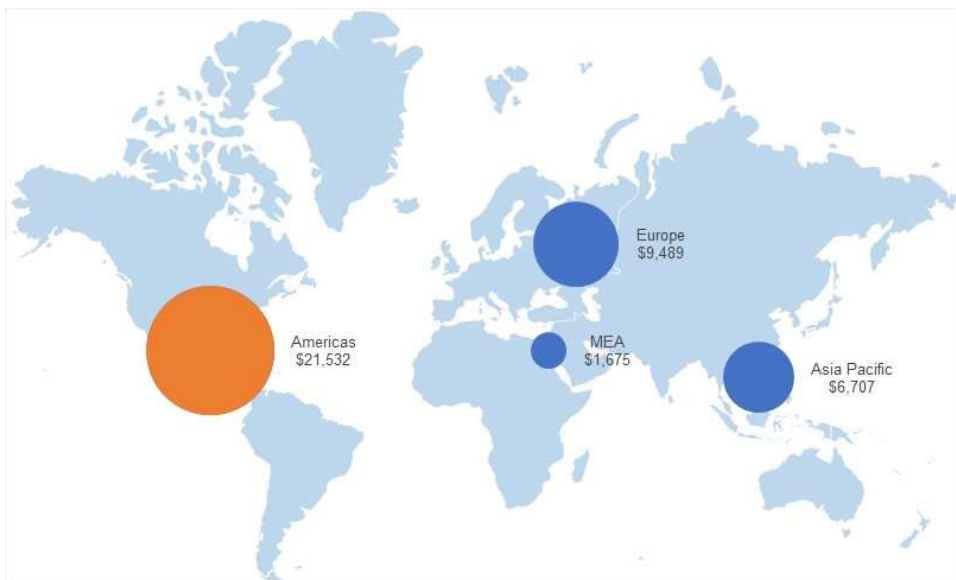
On the mixed side, Oracle's corporate revenues over four quarters have held steady since 1Q18, in the \$39-40 billion range, approximately. Revenues now appear to be trending slightly up. Annualized revenues through 3Q21 were \$40.8B, from \$39.2B in 3Q20. Flattish revenues aren't a clear positive, but considering the dramatic growth of the big 3 cloud providers in the same timeframe, it could have been worse. Combined [cloud revenues](#) for AWS, Azure and GCP totaled \$30.1B for the 1Q18 annualized period, a figure which more than tripled to \$105.4B for the 3Q21 annualized period. At least some of this revenue growth came at the expense of other tech software suppliers into enterprise markets, such as Oracle.

On a more clearly positive note, Oracle's overall profitability metrics have held up fairly well over the last 3 years, despite lackluster topline growth and elevated capex. For the 3Q21 annualized period, free cash flow margin for the company was 30.8%, a bit up from 3Q20's 29.6% and the same as 3Q19's result. Net income as a percent of revenues for the 3Q21 annualized period was 34.2%, quite a bit higher than the 2019-20 period when it averaged 27%.

## Reaching global scale

As noted above, Oracle's cloud region count is comparable to some of the biggest players in the webscale market. That was the plan from the start. Oracle has a global customer base, with about half of its revenues coming from the Americas but a strong presence in other regions as well (Figure 3). Once Oracle decided to launch into the cloud, its goal was to both grow revenues but also protect its legacy base from slipping away to the Big 3, which already had a growing global footprint.

**Figure 3: Oracle revenues by region, 2020**



Source: MTN Consulting

Oracle chose to quickly build cloud regions in its key markets, with the understanding that it would have to fill out individual regions as time passed. This is not that different from the big 3, in fact, but Oracle started its buildout much later. Focusing on Singapore, where Oracle just launched its first cloud region, is illustrative. Oracle's new data center launch there represents a new cloud region, with one availability