Building Value
Through Transformation

Brian Hamel
Senior Vice President
Cloud Business Group

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Over 50% of Fortune 500 Companies Have Departed Since 2000

Life Expectancy Was as Long as 75 Years

2000 → Today

TODAY IT IS LESS THAN 15 YEARS AND DECLINING

Emerging Technologies Driving New Business Models

AI / ML Embedded into Apps

IoT Apps

Human Interface

Blockchain

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$2 trillion

added to U.S. economy over next decade by cloud services, technologies and best practices

Dr. Michael Mandel

Senior Fellow, Mack Institute for Innovation Management
at the Wharton School

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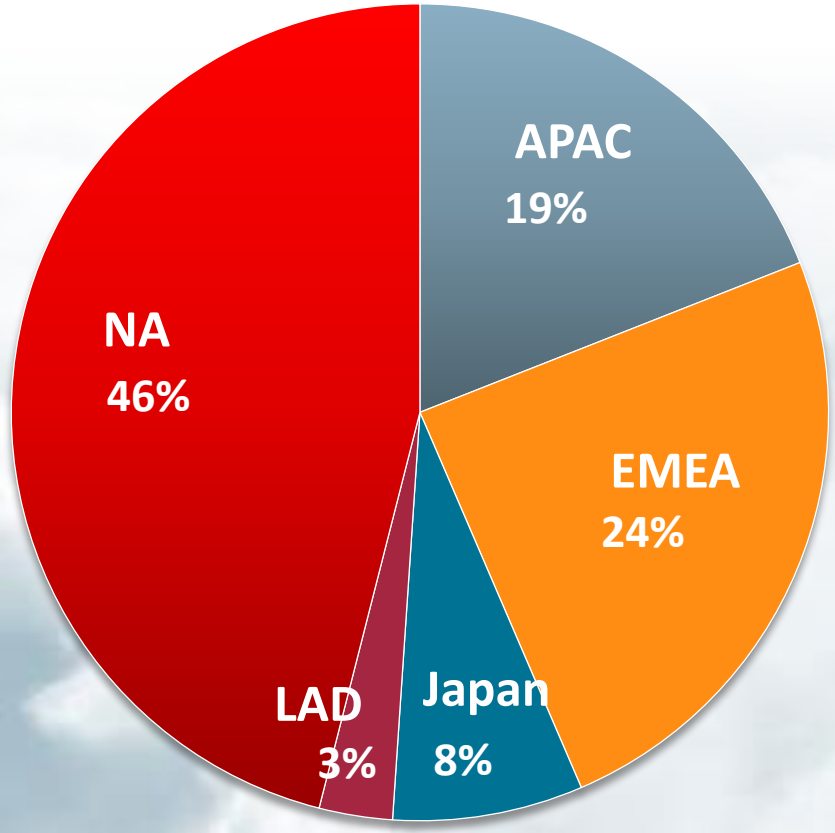
Infrastructure as a Service Market: FY17 Size and Growth



	USD $ (Mil)
NA	$11,641.26
EMEA	$6,199.37
JAPAN	$4,811.29
APAC	$1,905.36
LAD	$733.98
WW TOTAL	**$25,291.26**

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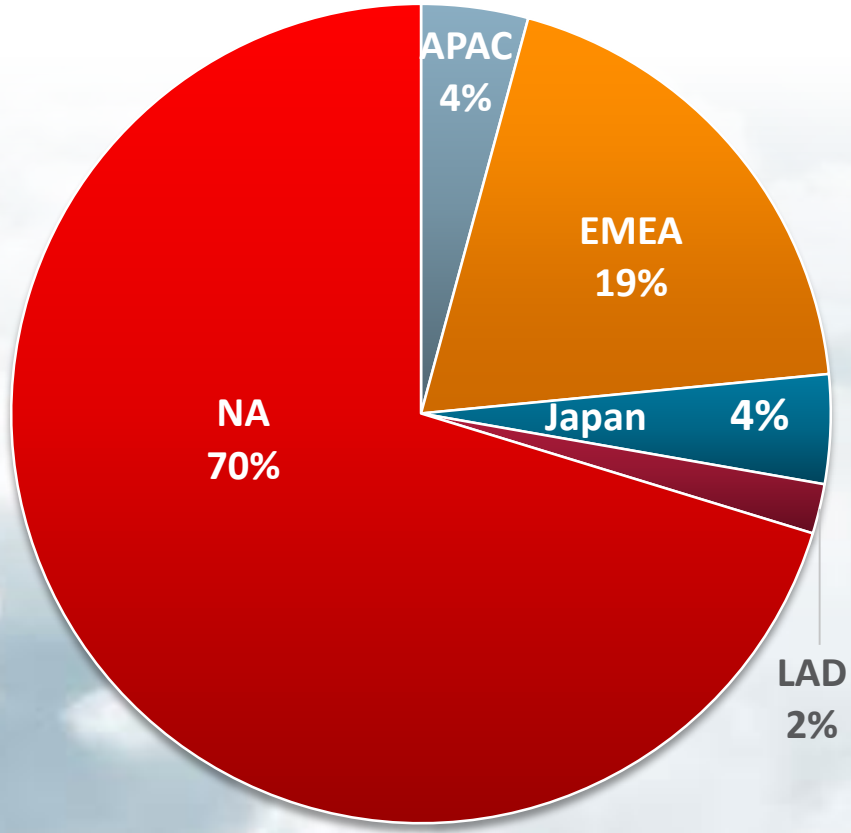
Platform as a Service Market: FY17 Size and Growth



	USD $ (Mil)
NA	$19,115.21
EMEA	$5,235.34
JAPAN	$1,170.66
APAC	$1,146.80
LAD	$533.77
WW TOTAL	**$27,201.79**

* PaaS Definition: DBaaS, App Dev Cloud, App Platform Cloud, Analytics Cloud, Integration & Middleware Cloud, Quality & Life-Cycle Tools Cloud, Security Cloud, System Mgmt Cloud

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The Impact on IT Spending

Morgan Stanley

$1

Cloud Revenue Growth

$3

Legacy Hardware Decline

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Double Digit Hardware Growth Expected

Morgan Stanley

- **Entering refresh cycle**
- **Infrastructure budgets back**
- **On-premises/cloud strategy balance**
- **Specialized systems and emerging technology growth**

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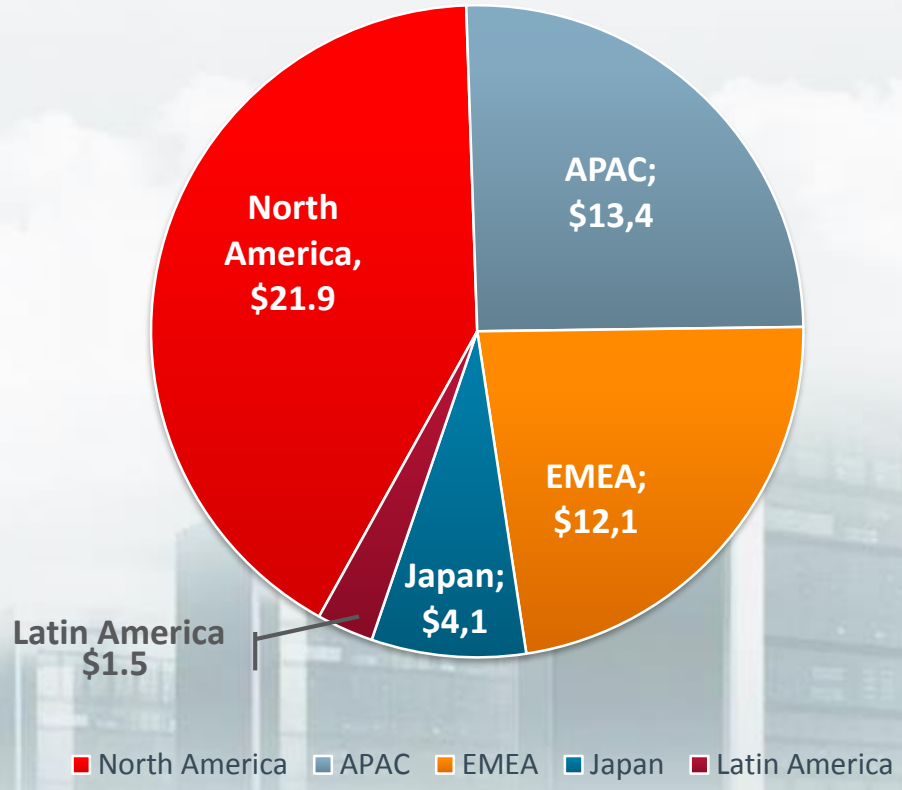
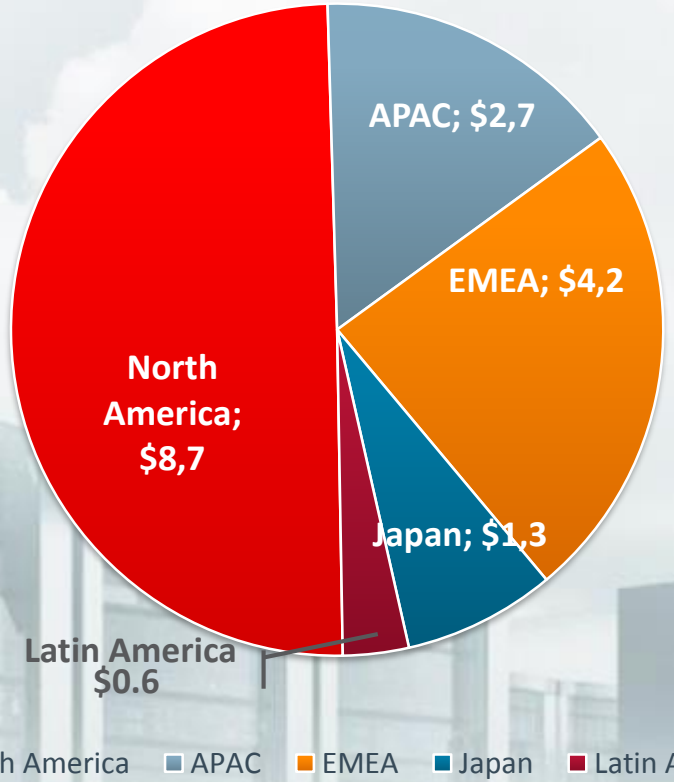
Strong European HW Market: CY17 $16.3B

Servers



in Billions

Storage



in Billions

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Splitting

Nov. 8, 2015

Citrix to split itself apart at shareholder's behest; 1,000 layoffs to come

SiliconANGLE

May 24, 2016

HP splits again, as Hewlett Packard Enterprise spins off IT services

ars technica

Private

Aug. 11, 2015

Veritas Goes Private for $8 Billion Following Split from Symantec

eWEEK

Aug. 26, 2016

Rackspace Going Private in $4.3B Deal

SiliconANGLE

Consolidating

Oct. 12, 2015

The biggest tech deal ever:
Dell buys **EMC**
for $67 billion

CNNMoney

June 13, 2016

Symantec to Buy Blue Coat for $4.65B

FINANCIAL TIMES

Feb. 2, 2018

Dell says it will explore IPO or merger with Vmware

REUTERS

Aug. 26, 2016

HPE to Buy Nimble Storage for $1.09B

REUTERS

Withdrawing

June 7, 2016

HDS Freezes High-End Storage Hardware Investment

The Register

Nov. 4, 2016

CenturyLink to Sell Data Centers for $2.3B

THE WALL STREET JOURNAL.

Dec. 15, 2016

Violin Memory Files for Bankruptcy with $145M in Debt

Bankrupt.com

Oct. 19, 2017

HPE Is Exiting the Cloud Server Business

FORTUNE

Exiting Cloud

Oct. 22, 2015

HP to put public cloud out of its misery

SiliconANGLE

Feb. 12, 2016

Verizon kills some public cloud services

CHANNELe2e

Feb. 18, 2016

Rackspace Pivot to Cloud Support Fails to Impress Investors

DATA CENTER KNOWLEDGE

Dec. 14, 2016

Cisco to terminate $1B public cloud unit

INVESTOPEDIA

April 4, 2017

VMware sells off struggling vCloud Air Platform

VIRTUALIZATION & Cloud Review

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GROWTH OPPORTUNITIES

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Investing in Innovation

More than **$46B in R&D** since 2004

Innovation that Delivers Value

Oracle R&D FY17

$6.2B

16% of revenue

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Growth Opportunities in Partnering With Oracle

Specialized Hardware

Cloud

Emerging Technologies

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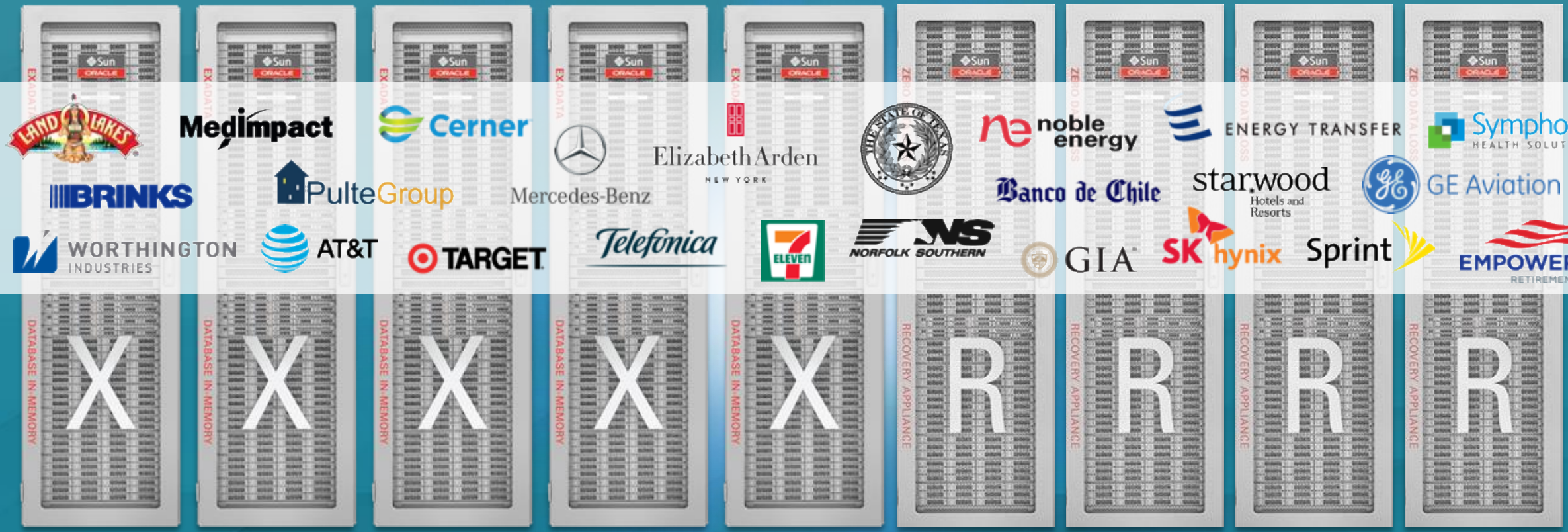
Growth in Specialized Hardware



A Record Year—Exadata & Recovery Appliance Sales

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Oracle Software with Oracle Hardware: Engineered Advantages
For Unparalleled Performance, Scale and Efficiency

Smart Scan	Exabus	HCC	ADO	Delta Push
Faster Data-Intensive Query Processing	Direct Memory Access via High-Speed Network Virtualization	Superior DB Compression & Query Acceleration	Dynamic DB Optimization & Heat Map Tiering	Incrementals Forever and Redo Log Shipping

OISP	RMAN	App Templates	SSM	EM
Dynamic and Automatic Database-to-Storage Tuning	Backup Block Format Opaque to 3rd Party Dedupe Appliances	Engineered for Oracle DB and Application Performance	Safeguard against Invalid Memory References and Buffer Overflows	Single Pane Mgmt of Public and Private Cloud

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Channel Driven Growth – Oracle Database Appliance

1,000s
of Deployments

100s
of ISVs in ODA Exastack Program

ORACLE DATABASE APPLIANCE OPTIMIZED

ORACLE DATABASE APPLIANCE READY

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ORACLE®
Cloud

End to End Enterprise Cloud

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Transforming Businesses
from Startups to Global Enterprises

AT&T

Oracle and AT&T Enter into Strategic Agreement

Redwood Shores, Calif.

Press Release

AT&T to Move Databases and applications Workloads to the Oracle Cloud

May 4, 2017

Bank of America

Bank of America Selects Oracle Cloud for ERP and Financials

Redwood Shores, Calif.

Press Release

Jun 26, 2017

HUB FICO Anthem SCHNEIDER SUBARU HSBC MACK Western Digital

ZEBRA Archrock Cummins fairfieldnodal SKANSKA Exelon Providence St.Joseph Health NOBLE

lyft SuiteBox twitter Dropbox tas group an owl company Pinterest intellect EU STITCH FIX

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Engineered Advantages in **Implementing New Technologies**

WORLD'S LEADING DATABASE

POWERFUL ANALYTICS

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DOMAIN & INDUSTRY APPS

ADVANCED COMPUTE

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Built-In Innovations to Drive Faster Transformation

ORACLE
Autonomous Database Cloud

AI / ML Embedded into Apps

ORACLE
Internet of Things Cloud Service

IoT Apps

ORACLE
Marketing Cloud

Human Interface

ORACLE
Financial Services

Blockchain

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AUTONOMOUS SOFTWARE

TOTAL AUTOMATION BASED ON MACHINE LEARNING

"NO HUMAN INTERVENTION"

- Self-Driving
- Self-Securing
- Self-Repairing
- Self-Scaling

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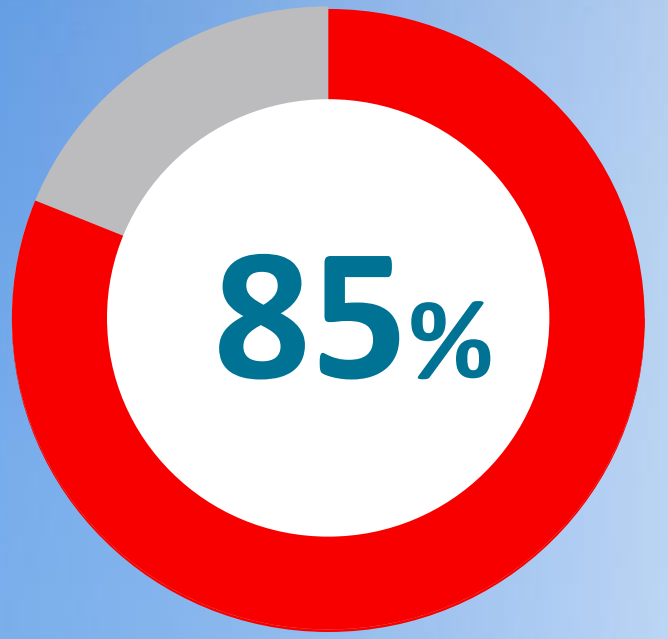
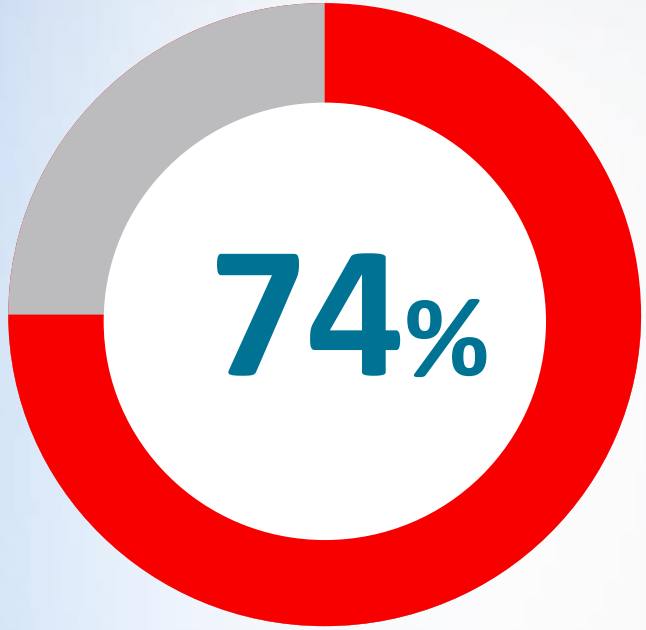
PATCHING – NOW A BOARD ROOM ISSUE



Of Exploits Had a Patch Available For More Than One Year



Of Organizations Take 3 Months to Patch

Source: Data Security Survey; Verizon DBIR, 2015

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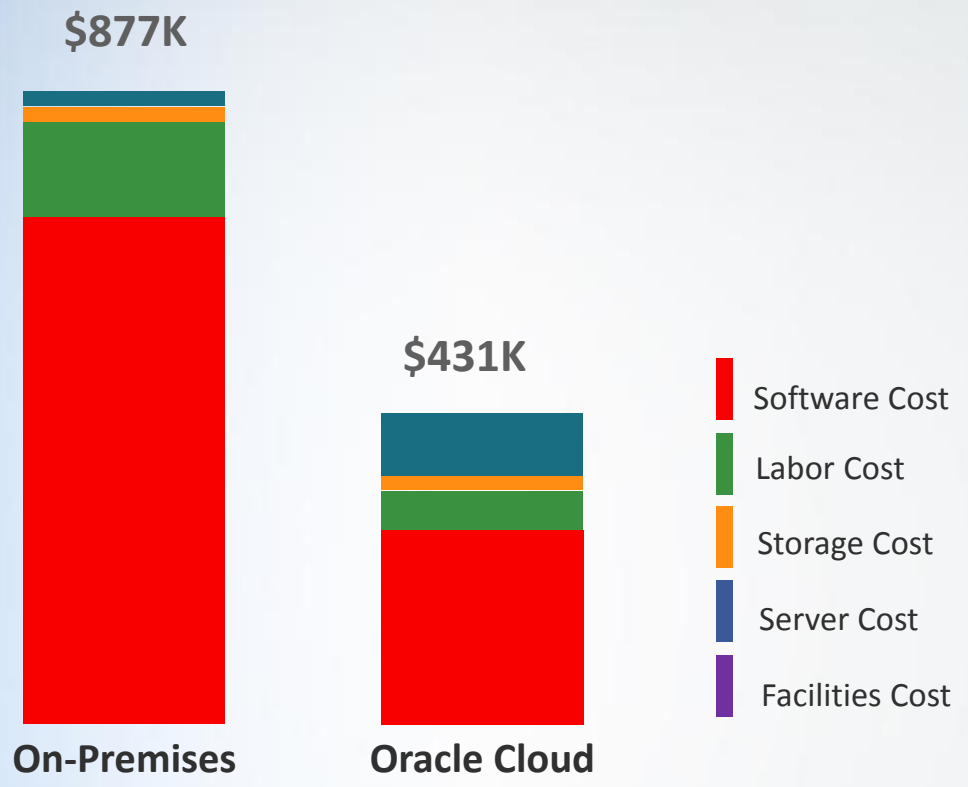
MANAGING ENTERPRISE DATA AUTONOMOUSLY REDUCES COSTS BY 50 PERCENT



Three-year TCO Savings with Autonomous Data Warehouse Cloud

Source: Oracle TCO report 2018. 50% savings calculated based on 16 CPU config. w/BYOL from on-premises Oracle Database

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Better service at half the cost of AWS

GUARANTEED

ORACLE®
Autonomous
Database Cloud

- **Self-driving**
- **Self-securing**
- **Self-healing**
- **Self-scaling**

No Human Error

Online Database Updates

< 2.5 Min/Month SLA with No Exclusions

amazon web services

- Manual tuning
- Generic hardware
- No intelligent storage
- Limited availability
- Limited scalability, elasticity
- Database down for updates
- SLA only with major exclusions

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INDUSTRY HEADLINES

WSJ

Kroger Shares Drop as Battle With Amazon Cuts Into Profits

March 8, 2018

HW HOUSINGWIRE

Amazon hiring head of newly-formed mortgage lending division

March 8, 2018

CNN Money

Amazon is already trying to disrupt health care

March 2, 2018

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WHERE TO START

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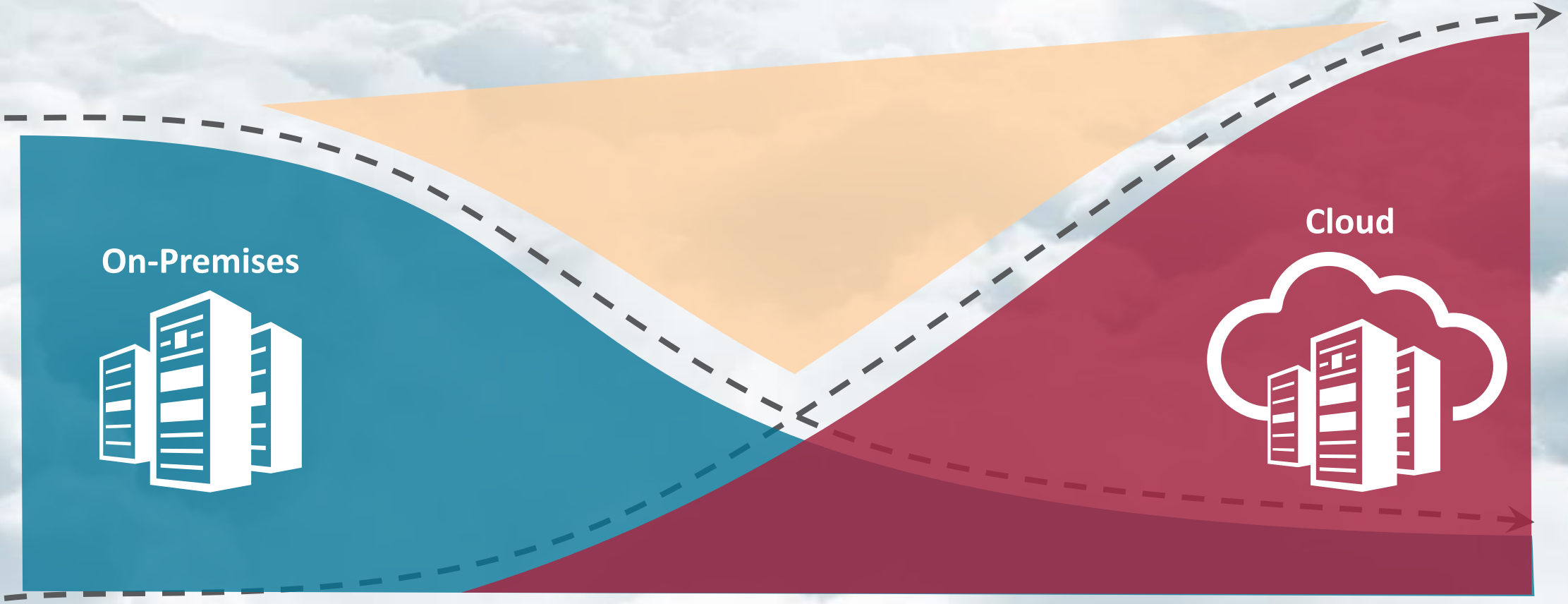
BALANCED EXECUTION – Help Customers on Both Sides



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Six Oracle Journeys to Cloud

1	Your Data Center		Optimize On-Premises	Oracle Public Cloud
2	Your Data Center		Cloud at Customer	Oracle Public Cloud
3	Your Data Center			Move & Improve Workloads
4	Your Data Center			Create New with PaaS and IaaS
5	On-Premises			Transform with SaaS
6	New Company			Born in the Cloud

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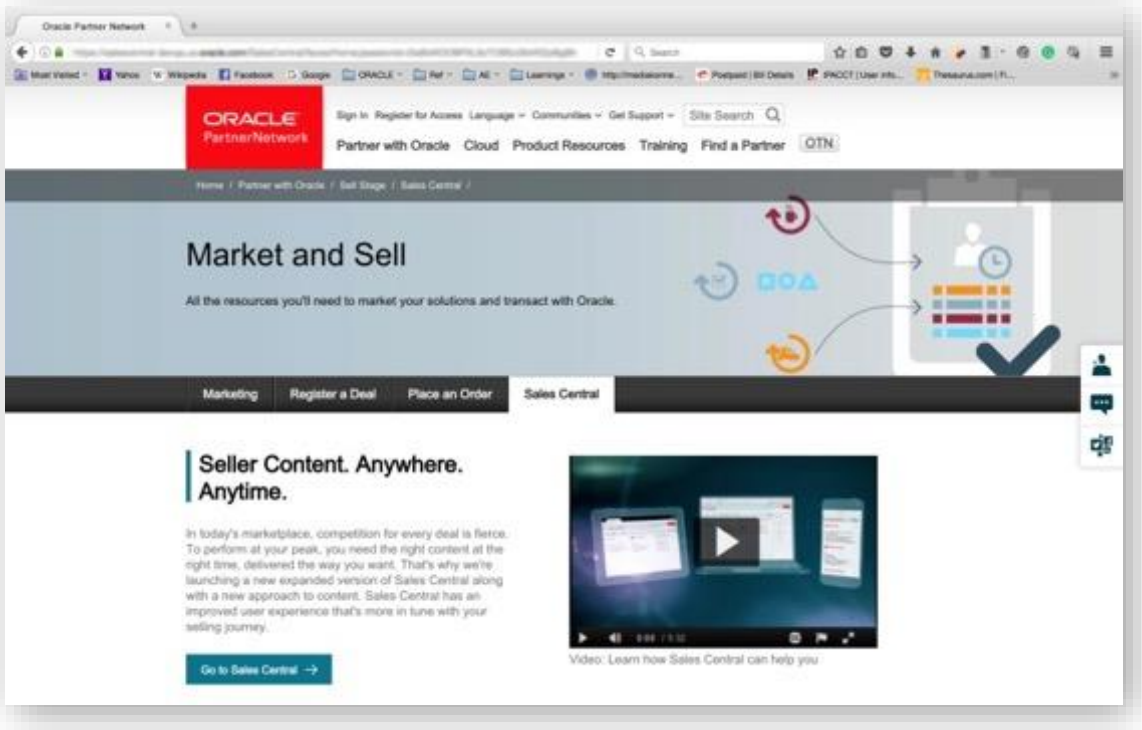
PartnerNetwork



Sales Central

oracle.com/partners/goto/sales-central

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Your Investment Pays Dividends

2.7x	54%	37%	3x
MORE OPPORTUNITIES	MORE CLOSED DEALS	GREATER OPPORTUNITIES	GREATER DEAL SIZE

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Opportunity: On-Prem & Cloud
Invest: Build Your Value
PARTNERSHIP

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Integrated Cloud

Applications & Platform Services

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