



ORACLE Financial Services

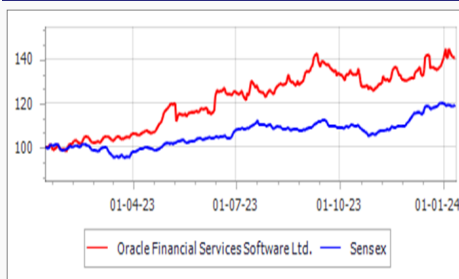
Script Details

BSE Group	A
BSE Code	532466
NSE Code	OFSS
Bloomberg Code	OFSS IN
Market Cap (INR Cr.)	37,527
Free Float (%)	27.2%
52wk Low/High	4566/2987
Beta (1yr Nifty 50)	0.00
Face Value (INR)/ D. Yield (%)	5/5.2
Total paid Up Shares (Mn.)	86.6

Share Holding Pattern (%)

Promoters	Public	Others
72.8%	27.2%	-

Share Price Relative Performance



ORACLE FINANCIAL SERVICES SOFTWARE LTD.

Buy at CMP: Rs 4657 | Target: Rs 5537 (19%) | SL: Rs 4340

Sector

Jan 15, 2024

IT

Oracle Financial Services Software Limited was established in India as a limited liability company. The company, along with its subsidiaries, primarily focuses on delivering information technology solutions and business processing services to the global financial service industry. Its main offerings include a range of banking products designed to address the transaction processing and compliance requirements of corporate, retail, investment banking, treasury operations, and data warehousing.

Investment Rationale

- ◆ **Leading Company offering Solutions in BFSI Industry:** OFSS, a global leader in CBS, boasts a well-balanced product portfolio poised to capitalize on increased spending in the BFSI sector and a growing emphasis on efficient compliance systems. With a pivotal role in modernization and customer-centric offerings, OFSS leverages its rich core banking platform, serving over 1,400 clients in 160+ markets. Recognized for unmatched access, superior technology, and integrated solutions, OFSS remains a preferred vendor. Their innovative products, including embedded finance and advanced analytics, coupled with the Cloud-based Oracle Banking Platform, address key challenges, drive productivity, and enable banks to expand their business seamlessly.
- ◆ **Backed by Strong Parent, Brings Technology Support:** OFSS is backed by Oracle US, a leading global software and services provider. As the subsidiary of Oracle Corporation, OFSS benefits from strong technological support. With Oracle being one of the largest software company globally, OFSS is well-positioned to capitalize on the growing demand for banking solutions software.
- ◆ **Core Banking Solutions offers Large Opportunities:** Core Banking Systems (CBS) are now integral to banking, streamlining processes and enabling unified transactions. CBS, crucial for deposits and withdrawals. The global core banking software market is projected to grow at an 18% CAGR, reaching US\$34.48 billion by 2028 from US\$10.84 billion in 2021. With CBS penetration at 15-18%, there are substantial growth opportunities. The increasing investment in fintech technologies is favourable for OFSS.
- ◆ **Outlook and Valuations:** We estimate OFSS to report PAT of INR 2125 Cr on revenue of Rs 6745 Cr by FY26E. Which implies forward PE of 17.7(x) for FY26E. We value it with a Price to Earnings of 21x to FY26E EPS which results per share value of INR 5537. We recommend BUY on OFSS at CMP of INR 4657 with Target price of INR 5537 (19%).

Financial Snapshot

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	5,827	2,434	1,835	20.5	12.2
FY24E	6,118	2,570	1,927	19.5	14.0
FY25E	6,424	2,698	2,024	18.5	13.3
FY26E	6,745	2,833	2,125	17.7	12.7

Source: Company Data, Ace Equity, GEPL Research

TECHNICAL VIEW

Observation

- ◇ The OFSS stock is currently experiencing strong momentum, reaching its 52 week highs. This upward trend is supported by a notable increase in trading volume. The stock's structural development appears robust, with a continued upward movement following a A-B-C pattern breakout.
- ◇ On the daily scale, a change in polarity is evident, where the previous resistance from December 2023 has now become a support zone as on January 2024. This support zone aligns coincidentally with the 50% retracement level. Following this development, the stock has consistently formed higher highs and higher lows.
- ◇ Additionally, the stock has maintained its position above the 13-week and 34-week Exponential Moving Averages (EMAs), indicating a positive trend alignment. This suggests that the stock's overall trajectory is favorable.
- ◇ Analyzing the Relative Strength Index (RSI), it reveals a bullish momentum. The RSI has consistently sustained above 60 level on all the time frames, further supporting the positive outlook for the stock.



Inference & Expectations

- Considering these factors, it can be inferred that OFSS stock is set to begin uptrend.
- Going ahead we expect the prices to move higher till 5145 level.
- The stop loss must be at 4340 level, strictly on the closing basis.

Invest Now ➡➡

Source: Tradingview.in, GEPL Research



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