

## Salesforce, Inc. (CRM)

**\$259.94** (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$267.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 09/06/23)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: D

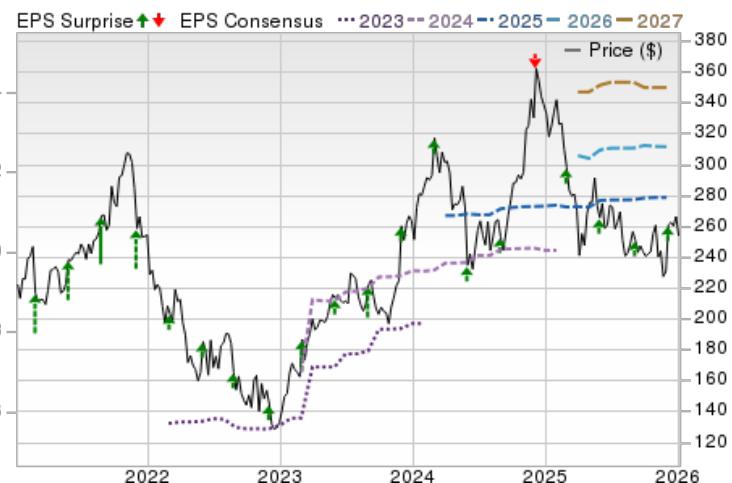
Growth: B

Momentum: D

## Summary

Salesforce is benefiting from a robust demand environment as customers are undergoing a major digital transformation. Its sustained focus on aligning products with customer needs is driving the top line. Continued deal wins in the international market are another growth driver. The buyout of Slack has positioned it as a leader in enterprise team collaboration and improved its competitive standing compared to Microsoft Teams. Salesforce's strategy of continuous expansion of generative AI offerings will help it tap the growing opportunities in the space. Our estimates indicate that Salesforce's revenues will grow at a CAGR of 9.3% over the fiscal years 2026-2028. However, stiff competition and unfavorable currency fluctuations are concerns. Softening IT spending amid ongoing macroeconomic uncertainties may hurt its growth prospects.

## Price, Consensus & Surprise<sup>(1)</sup>

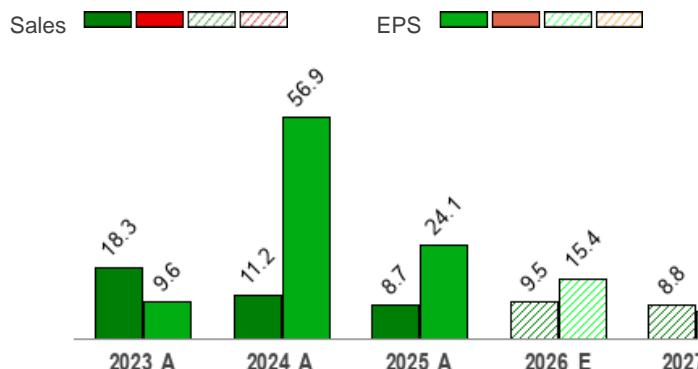


## Data Overview

52 Week High-Low	<b>\$367.09 - \$221.96</b>
20 Day Average Volume (sh)	<b>5,720,304</b>
Market Cap	<b>\$244.1 B</b>
YTD Price Change	<b>-1.7%</b>
Beta	<b>1.26</b>
Dividend / Div Yld	<b>\$1.66 / 0.6%</b>
Industry	<b>Computer - Software</b>
Zacks Industry Rank	<b>Top 37% (90 out of 244)</b>

Last EPS Surprise	<b>14.0%</b>
Last Sales Surprise	<b>-0.1%</b>
EPS F1 Est- 4 week change	<b>0.0%</b>
Expected Report Date	<b>02/25/2026</b>
Earnings ESP	<b>-0.5%</b>

## Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



## Sales Estimates (millions of \$)<sup>(2)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2027	10,711 E	11,196 E	11,259 E	11,994 E	45,161 E
2026	9,829 A	10,236 A	10,259 A	11,169 E	41,493 E
2025	9,133 A	9,325 A	9,444 A	9,993 A	37,895 A

## EPS Estimates<sup>(2)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2027	2.90 E	3.07 E	3.18 E	3.46 E	12.61 E
2026	2.58 A	2.91 A	3.25 A	3.03 E	11.77 E
2025	2.44 A	2.56 A	2.41 A	2.78 A	10.20 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/09/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 01/05/2026.

## Overview

Salesforce is the leading provider of on-demand Customer Relationship Management (CRM) software, which enables organizations to better manage critical operations, such as sales force automation, customer service and support, marketing automation, document management, analytics and custom application development.

Headquartered in San Francisco, Salesforce, Inc. was founded in 1999. Over the course of two and a half decades, the company has established itself as the world's leading CRM vendor with a market share of nearly 20%, according to the reports of Gartner, a global research and advisory firm. Its nearest rival, SAP is way behind at a market share of around 8%. About 90% of the Fortune 100 companies uses at least one Salesforce software.

The company has leveraged its expertise in on-demand software to increase the scale of operations. It also offers a technology platform for customers and developers to build and run business applications.

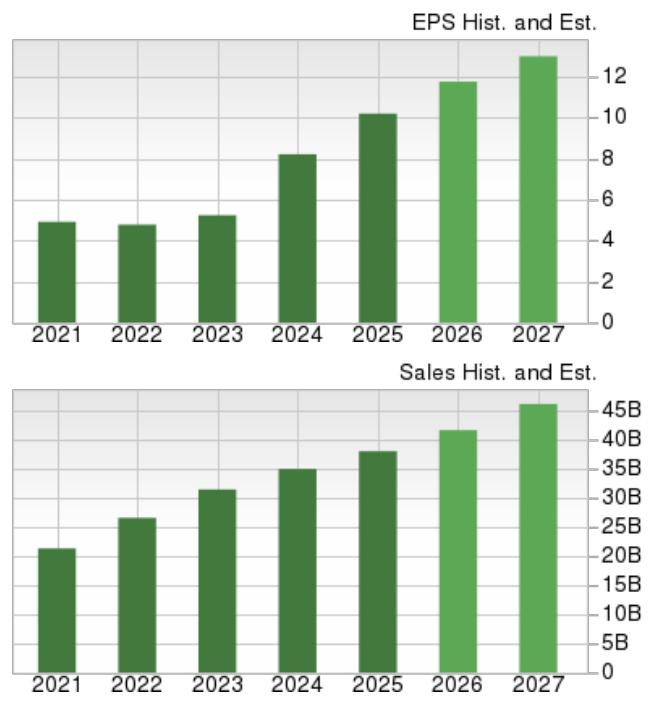
Salesforce helps companies of every size and industry to connect with their customers in new ways through existing and emerging technologies including cloud, mobile, social, IoT and artificial intelligence (AI).

Rapid digital transformation and the company's sustained focus on aligning products with customer needs are driving the top line. Salesforce's annual revenues have sextupled from \$5.4 billion in fiscal 2015 to \$37.89 billion in fiscal 2025.

There are two main revenue streams — Subscription and Support and Professional Services & Other.

Subscription revenues comprise subscription fees from customers, accessing the company's enterprise cloud computing services (Cloud Services), software licenses and subscription fees recognized from customers for additional support. This segment accounted for more than 94.2% of Salesforce's fiscal 2025 revenues.

Professional Services & Other revenues consist of fees that the company derives from consulting and implementation services and training. This segment accounted for the remaining 5.8% of Salesforce's fiscal 2025 revenues.



As of 01/05/2026



As of 01/09/2026

## Reasons To Buy:

- ▲ Salesforce is the world's leading Customer Relationship Management (CRM) company, in the Software-as-a-Service (SaaS) enterprise application market. The company dominates the market due to its strong clientele. Per IDC's Worldwide Semiannual Software Tracker, Salesforce remained the #1 CRM provider for 11 straight years, demonstrating the attractiveness of its cloud-based solutions. The company has cemented its overall market position and inflated its revenue base more than any other CRM vendor. Our estimates suggest that Salesforce's revenues will reach approximately \$49.51 billion in fiscal 2028 from \$37.89 billion in fiscal 2025, witnessing a CAGR of 9.3%.
- ▲ Salesforce's on-demand SaaS business model underscores its focus on sales force automation, marketing, customer responsiveness and support, improved personnel collaboration within an organization, software tools for developers, social media monitoring and marketing, and other social enterprise areas. The company has various SaaS applications and platforms to serve its focus areas. SaaS deployments are easy and help reduce ownership costs for customers. Per a Fortune Business Insights report, the global CRM software market will reach \$262.74 billion by 2032 from \$112.91 billion in 2025, indicating a CAGR of 12.8% during the forecast period. Salesforce has various SaaS applications and platforms to serve its focus areas. The company's ability to provide an integrated solution for customers' business problems is the key growth driver. With its SaaS-based CRM and social enterprise applications, we think that Salesforce is well-positioned to lead the market.
- ▲ Salesforce is continuously expanding its generative AI offerings. Generative AI is a type of AI technology that can produce various types of content, including text, imagery, audio and synthetic data. It is driven by a large language model, which means it uses a lot of data to understand and generate conversations. The company forayed into the generative AI space with the launch of Einstein GPT in March 2023. In June 2023, it further elevated the set of its generative AI tools with the launch of the AI Cloud service. With this, the company claims to offer one-stop AI-powered solutions for enterprises looking to enhance productivity. Along with the launch of AI Cloud, the company also raised its venture capital fund for generative AI to \$500 million from \$250 million announced in March 2023. With this enhanced fund, Salesforce Ventures, the company's global investment arm, will support the generative AI ecosystem and promote the development of responsible and trusted technology.
- ▲ Acquisitions constitute a key growth strategy, strengthening the company's position in the CRM solution-providing space. In 2025, the company acquired nine businesses: Qualified, Doti, Spindle AI, Apromore, Regrello, Waii, Bluebirds, Informatica and Convergence.ai. In 2024, it acquired four businesses: PredictSpring, Tenyx, Own and Zoomin Software. In fiscal 2025, Salesforce used \$2.7 billion in cash for acquisitions. These acquisitions broaden Salesforce's portfolio and help offer an end-to-end solution to its clients.
- ▲ Salesforce's partnership agreements with the likes of Amazon and Alphabet for the firms' cloud services have been helping it expand its international operations. The company announced at its Dreamforce event that it entered into a partnership with Apple, which will help it offer new apps for iPhones and iPads. A redesigned Salesforce mobile app will be developed exclusively for iOS, featuring Face ID, Siri shortcuts as well as Apple's business chat. Salesforce also expanded its global strategic alliance with Amazon Web Services to focus on new product integrations that will simplify secure data sharing and synchronizing across AWS and salesforce services.
- ▲ In keeping with its strategy of growing in Europe, in Aug 2015 Salesforce's investment arm, Salesforce Ventures, announced its decision to invest \$100 million specifically in European start-ups. Over the past few years, Salesforce has invested in several start-ups, be it through acquisitions or partnerships. In Europe, the company opened its first data center in the U.K. in Aug 2014. In 2015, Salesforce opened two more data centers, one each in France and Germany. The opening of data centers in these countries has helped Salesforce reach local small and medium businesses as well as government agencies. In 2019, the company's global corporate investment group, Salesforce Ventures, launched a \$125 million Europe Trailblazer Fund to continue to fuel enterprise cloud startups. Most recently, in June 2023, the company announced its decision to invest \$4 billion in its UK business in the next five years, aimed at supporting its growing customer base. The latest investment announcement builds on its previous five-year investment of \$2.5 billion, announced in 2018. The initiatives are helping Salesforce generate higher revenues from the European region. In fiscal 2023, Salesforce's revenues from Europe increased 19% year over year and accounted for approximately 23% of the total revenues. We believe expansion in Europe would enable Salesforce to diversify its international revenues going forward.
- ▲ Investments in start-ups have always been one of the key growth strategies of Salesforce. Over the past few years, Salesforce has invested in several start-ups, be it through acquisitions or partnerships. According to the company's website, since 2009, Salesforce Ventures has invested in more than 400 technology start-ups across 22 countries. In 2020, it launched its second impact fund of \$100 million to invest in enterprise start-ups. Earlier in 2019, it had launched its first impact fund of worth \$50 million. In 2019, Salesforce announced \$125 million of Venture Fund specifically for the European region. The company had allocated a \$100-million fund to invest in European start-ups in 2015. For Australia-based start-ups, the firm allocated \$50 million of venture fund in 2019. In 2018, it had rolled out venture funds for Japan and Canada worth \$100 million each. The investment in venture funds helps it acquire key technologies as they are being developed because start-ups often sell out to their early investors. It also helps the company acquire budding talent worldwide. The company's strategy of investing in start-ups helps fuel cloud innovation and gain customers across the globe.
- ▲ Salesforce is a cash-rich company with a strong balance sheet. As of Oct. 31, 2025, the company had cash, cash equivalents and marketable securities of \$11.32 billion and long-term debt of approximately \$8.44 billion. Moreover, Salesforce's total debt-to-total capital ratio of 0.14 is significantly lower than the industry average of 0.29. The available cash can be used for pursuing strategic acquisitions, investing in growth initiatives and distributing to its shareholders.

Salesforce's diverse offerings, client base, strategic acquisitions and partnerships and strong balance sheet are key upsides.

## Reasons To Sell:

- ▼ Salesforce's near-term prospects might be hurt by softening IT spending. Higher interest rates and inflationary pressures are hurting consumer spending. On the other hand, enterprises are postponing their large IT spending plans due to a weakening global economy amid ongoing macroeconomic and geopolitical issues. This does not bode well for Salesforce's prospects in the near term.
- ▼ Salesforce faces stiff competition from Microsoft Corp. and Oracle in the cloud-based CRM market. Oracle has strengthened its cloud position through various strategic acquisitions. Microsoft has also added various key companies like LinkedIn to its portfolio to beef up its Dynamic CRM platform. Additionally, Microsoft offers special pricing for its Dynamics CRM Online service, which is helping it to snatch salesforce's customers. Competition is expected to intensify further, as Microsoft Dynamics CRM software (code-named Titan) gains ground. Titan has been designed to offer direct competition to salesforce's on-demand CRM software model. Moreover, IBM is strengthening its grip on the cloud computing software market with its web-based collaboration software for businesses, including contact management, instant messaging and file sharing programs. Further, the tie-up of Microsoft and Adobe, which aims to boost the sales and marketing capabilities of both companies, is a significant threat to the king of CRM.
- ▼ Salesforce's home market in the United States has hit a saturation point, causing slower growth of its cloud software. There is still a lot of room for Salesforce's growth in the international quarters. It still generates only about 33% of total revenues from international operations, which is lower than its rivals like Microsoft or Oracle composition of around 50%. Therefore, the company is investing heavily in global expansion, which is an overhang on its margins.
- ▼ An increased focus on acquisitions has led to a high level of goodwill, which is not a real asset. At the end of the third quarter of fiscal 2026, goodwill totaled \$51.46 billion, or approximately 55.1% of its total assets. Furthermore, frequent acquisitions add to integration risks, which may dilute earnings.

Stiff competition, currency fluctuations and an increase in investments for international expansions and data centers could negatively impact near-term profitability.

## Last Earnings Report

### Salesforce Q3 Earnings Surpass Estimates, Revenues Rise Y/Y

Salesforce reported third-quarter fiscal 2026 non-GAAP earnings of \$3.25 per share, which beat the Zacks Consensus Estimate by 14.04%. The bottom line improved 34.9% year over year.

Salesforce's fiscal third-quarter revenues of \$10.3 billion match the Zacks Consensus Estimate and increased 10% year over year.

FY Quarter Ending	1/31/2025
Earnings Reporting Date	Dec 03, 2025
Sales Surprise	-0.05%
EPS Surprise	14.04%
Quarterly EPS	3.25
Annual EPS (TTM)	11.52

The growth in top and bottom lines reflected the benefits of CRM's go-to-market strategy and sustained focus on customer success. The initiatives to integrate generative artificial intelligence (AI) into its offerings also boosted demand for Salesforce's solutions during the reported quarter.

### Salesforce's Q3 Performance in Detail

Coming to CRM's business segments, revenues from Subscription and Support (95% of total revenues) increased 9.5% year over year to \$9.73 billion. Professional Services and Other (5% of total sales) revenues declined 5.7% to \$533 million.

In the third quarter of fiscal 2026, Salesforce renamed its service offerings under the Subscription and Support segment to reference Agentforce. There were no changes in the allocation of revenues between these service offerings coming from this change. The renamed offerings are now called Agentforce Sales, Agentforce Service, Agentforce 360 Platform, Slack and Other, Agentforce Marketing and Agentforce Commerce, and Agentforce Integration and Agentforce Analytics.

Agentforce Sales revenues grew 8.4% year over year to \$2.3 billion. Revenues from Agentforce Service increased 9% to \$2.5 billion. Agentforce 360 Platform, Slack and Other revenues rose 19.5% to \$2.18 billion. Agentforce Marketing and Agentforce Commerce were up 2% to \$1.36 billion. The Agentforce Integration and Agentforce Analytics division recorded 6.1% year-over-year growth to \$1.39 billion.

Revenues from the Americas (65% of total revenues) increased 8% year over year to \$6.7 billion. Sales in EMEA (24%) grew 7% to \$2.5 billion, while the Asia Pacific (11%) region's revenues rose 11% to \$1.1 billion.

Non-GAAP operating income was \$3.64 billion, up 16.5% from the year-ago quarter's \$3.12 billion. Moreover, the non-GAAP operating margin expanded 240 bps to 35.5%.

### Salesforce's Balance Sheet & Other Details

Salesforce exited the fiscal third quarter with cash, cash equivalents and marketable securities of \$11.32 billion, down from \$15.37 billion at the end of the previous quarter. CRM generated an operating cash flow of \$2.3 billion and a free cash flow of \$2.2 billion.

As of Oct. 31, the current remaining performance obligation (cRPO) was \$29.4 billion, up 11% year over year. The company returned \$4.2 billion to shareholders, including \$3.8 billion in share repurchases and \$395 million in dividends.

### Salesforce Updates Guidance for FY26

Buoyed by stronger-than-expected third-quarter performance, Salesforce raised its revenue guidance for fiscal 2026. For fiscal 2026, Salesforce now expects revenues in the range of \$41.45-\$41.55 billion, up 9-10% year over year compared with the prior guidance of \$41.1-\$41.3 billion.

Subscription and Support revenues are now expected to increase slightly below 10%, instead of the 9.5% growth expected earlier. The company now anticipates fiscal 2026 non-GAAP earnings per share in the range of \$11.75-\$11.77, slightly higher than the previous forecast of \$11.33-\$11.37.

Non-GAAP operating margin is projected to expand to 34.1%, while GAAP operating margin is expected to be 20.3%. Salesforce raised its forecast for operating cash flow growth to 13-14% year over year from the previous guidance of 12-13%. The company expects free cash flow growth to be in the range of 13-14% year over year, up from the previous guidance of 12-13%.

Salesforce initiated guidance for the fourth quarter of fiscal 2026. It projects total sales between \$11.13 billion and \$11.23 billion, which indicates 11-12% growth from the year-ago level.

The company expects non-GAAP earnings per share in the band of \$3.02-\$3.04, while GAAP EPS is anticipated to be between \$1.47 and \$1.49. The cRPO growth is projected to be approximately 15% year over year.

## Recent News

On Dec. 17, Salesforce announced that Novartis has selected its Agentforce Life Sciences for Customer Engagement.

On Dec. 17, Salesforce announced that it has signed a definitive agreement to acquire Qualified.

On Dec. 11, Salesforce revealed that the U.S Department of Transportation has expanded the use of Salesforce's platform and has added AI agents to modernize national transportation and safety systems.

On Dec. 4, Salesforce announced that its board of directors declared a quarterly cash dividend of \$0.416 per share to be payable on Jan. 8, 2026 to shareholders of record on Dec. 18, 2025.

On Dec. 4, Salesforce announced that AstraZeneca has selected Agentforce Life Sciences for Customer Engagement to help transform its customer engagement globally.

On Nov. 18, Salesforce announced that it has completed the acquisition of Informatica.

On Nov. 13, Salesforce announced that it has signed a definitive agreement to acquire Doti.

On Nov. 7, Salesforce announced that it has signed a definitive agreement to acquire Spindle AI.

On Oct. 24, Salesforce granted 42,844 RSUs to new employees from its Bluebirds and Waii acquisitions under its Inducement Equity Incentive Plan.

On Oct. 16, Salesforce and Google expanded their strategic partnership with deeper integrations between Agentforce 360 and Gemini Enterprise, extending AI capabilities across Google Workspace and Slack.

On Oct. 14, Salesforce and OpenAI expanded their strategic partnership to integrate OpenAI's frontier models with Agentforce 360, creating unified AI experiences across both platforms.

On Oct. 13, Salesforce announced a \$15 billion investment in San Francisco over the next five years to strengthen the city's AI ecosystem and support the growth of Agentic Enterprises.

On Oct. 13, Salesforce announced the general availability of Agentforce 360, its new platform that connects humans and AI agents to power the rise of the Agentic Enterprise.

On Oct. 9, Salesforce announced that it has signed a definitive agreement to acquire Apromore, a leading process intelligence software provider.

On Oct. 8, Salesforce announced a \$1 billion investment in Mexico to strengthen its presence, expand a new Mexico City office and Global Delivery Center, and support the country's transition toward AI-driven Agentic Enterprises.

## Valuation

Shares of CRM have gained 3.2% in the past three months and 6% over the past six months. Stocks in the Zacks sub-industry have plunged 12.9% over the past three months, while the Computer & Technology sector returned 2.8%. In the trailing 12 months, the Zacks sub-industry declined 8.3%, while the sector grew 19%.

The S&P 500 Index has returned 2.9% in the past three months and 12.9% in the trailing six months.

The stock is currently trading at 5.20x forward 12-month sales, compared with 9.01x for the Zacks sub-industry, 7.44x for the Zacks sector, and 5.60x for the S&P 500 Index.

Over the past five years, the stock has traded as high as 10.30x and as low as 3.79x, with a five-year median of 6.14x. Our Neutral recommendation suggests the stock is likely to perform in line with the broader market. Our \$267 price target reflects a forward 12-month sales multiple of 5.46x.

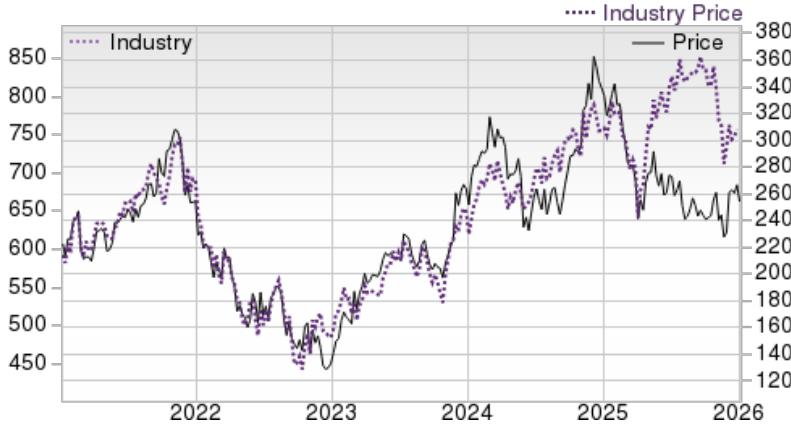
The table below shows summary valuation data for CRM.

Valuation Multiples - CRM					
	Stock	Sub-Industry	Sector	S&P 500	
P/S F12M	Current	5.20	9.01	7.44	5.60
	5-Year High	10.30	9.82	7.44	5.60
	5-Year Low	3.79	5.46	4.23	3.82
	5-Year Median	6.14	8.48	6.30	5.04
EV/Sales TTM	Current	5.82	9.24	8.15	5.75
	5-Year High	12.50	11.59	8.37	5.81
	5-Year Low	4.15	6.12	4.15	3.76
	5-Year Median	6.67	9.55	6.90	5.11
EV/EBITDA TTM	Current	15.27	15.77	19.60	18.68
	5-Year High	73.38	25.70	23.62	22.34
	5-Year Low	13.55	13.08	11.99	13.86
	5-Year Median	21.00	19.21	18.30	17.93

As of 01/02/2026

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 37% (90 out of 244)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Adobe Inc. (ADBE)	Neutral	3
Dassault Systemes SA (DASTY)	Neutral	3
Intuit Inc. (INTU)	Neutral	3
Oracle Corporation (ORCL)	Neutral	3
Open Text Corporatio...(OTEX)	Neutral	3
SAP SE (SAP)	Neutral	3
Synopsys, Inc. (SNPS)	Neutral	3
SS&C Technologies Ho...(SSNC)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Computer - Software

	CRM	X Industry	S&P 500	ADBE	ORCL	SAP
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	3	-	-	3	3	3
<b>VGM Score</b>	C	-	-	D	D	C
Market Cap	244.12 B	6.63 B	40.73 B	141.92 B	544.89 B	296.11 B
# of Analysts	18	4	22	14	14	7
Dividend Yield	0.64%	0.00%	1.37%	0.00%	1.05%	0.76%
<b>Value Score</b>	D	-	-	C	D	D
Cash/Price	0.05	0.05	0.04	0.05	0.04	0.04
EV/EBITDA	18.54	16.12	15.01	17.79	26.14	38.09
PEG Ratio	1.98	1.91	2.04	1.08	1.35	2.97
Price/Book (P/B)	4.07	4.39	3.44	12.21	17.89	5.86
Price/Cash Flow (P/CF)	18.81	18.92	15.54	18.92	28.36	41.72
P/E (F1)	22.11	22.72	18.81	14.47	25.70	29.73
Price/Sales (P/S)	6.05	5.23	3.07	5.97	8.93	NA
Earnings Yield	4.51%	4.31%	5.30%	6.91%	3.89%	3.36%
Debt/Equity	0.14	0.14	0.57	0.53	3.28	0.14
Cash Flow (\$/share)	13.85	3.54	8.98	17.92	6.69	5.78
<b>Growth Score</b>	B	-	-	B	D	A
Hist. EPS Growth (3-5 yrs)	35.01%	14.26%	8.24%	13.58%	4.88%	-0.93%
Proj. EPS Growth (F1/F0)	15.39%	15.21%	9.21%	11.94%	22.39%	41.84%
Curr. Cash Flow Growth	11.82%	9.82%	7.00%	-0.70%	-1.88%	-16.07%
Hist. Cash Flow Growth (3-5 yrs)	27.86%	10.80%	7.49%	8.76%	5.53%	0.57%
Current Ratio	0.98	1.39	1.19	1.00	0.91	1.11
Debt/Capital	12.33%	12.33%	38.14%	34.82%	76.65%	12.34%
Net Margin	17.91%	17.51%	12.77%	30.00%	25.28%	19.50%
Return on Equity	14.41%	19.80%	17.03%	61.28%	70.60%	15.69%
Sales/Assets	0.41	0.50	0.53	0.82	0.34	0.51
Proj. Sales Growth (F1/F0)	9.50%	8.83%	5.30%	9.40%	16.70%	16.50%
<b>Momentum Score</b>	D	-	-	F	A	C
Daily Price Chg	-2.10%	0.00%	0.01%	0.28%	-1.65%	-0.99%
1 Week Price Chg	-4.68%	-3.47%	1.11%	-5.79%	-1.15%	-3.91%
4 Week Price Chg	-0.69%	-2.57%	0.30%	-3.25%	-4.63%	-2.57%
12 Week Price Chg	5.91%	-6.55%	4.41%	2.98%	-39.41%	-10.64%
52 Week Price Chg	-20.30%	-13.78%	16.95%	-19.20%	16.25%	-4.92%
20 Day Average Volume	5,720,304	258,865	2,445,854	3,372,219	24,231,610	1,075,836
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.01%	0.00%	0.00%	-1.37%	9.22%	-0.05%
(F1) EPS Est 12 week change	4.06%	2.21%	0.47%	-1.63%	9.93%	0.32%
(Q1) EPS Est Mthly Chg	-0.01%	0.00%	0.00%	4.17%	1.59%	0.00%

## Analyst Earnings Model<sup>(2)</sup>

### Salesforce, Inc. (CRM)

In \$M, except per share data

FY Ends January 31st	2020A	2021A	2022A	2023A	2024A	2025A	2026E						2027E				2028E	
	FY	FY	FY	FY	FY	FY	1Q	2Q	3Q	4Q	FY	1QE	2QE	3QE	4QE	FY	FY	
	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25	30-Apr-25	31-Jul-25	31-Oct-25	31-Jan-26	Jan-26	30-Apr-26	31-Jul-26	31-Oct-26	31-Jan-27	Jan-27	Jan-28	
<b>Income Statement</b>																		
Total Revenue	\$17,098.0	\$21,252.0	\$26,492.0	\$31,352.0	\$34,857.0	\$37,895.0	\$9,829.0	\$10,236.0	\$10,259.0	\$11,168.6	\$41,492.6	\$10,711.4	\$11,196.2	\$11,258.9	\$11,994.1	\$45,160.6	\$49,505.6	
Constant Currency Growth	29.3%	24.5%	23.5%	22.0%	11.0%	9.3%	8.0%	9.0%	8.0%	10.9%	9.0%	9.0%	9.4%	9.7%	7.4%	8.8%	9.6%	
Cost of Revenue, Non-GAAP	\$3,591.0	\$4,535.0	\$5,743.0	\$6,826.0	\$7,132.0	\$7,375.0	\$1,952.0	\$1,966.0	\$1,970.0	\$2,167.6	\$8,055.6	\$2,219.3	\$2,310.2	\$2,307.1	\$2,376.4	\$9,213.0	\$10,123.2	
Cost of Revenue, GAAP	\$4,235.0	\$5,438.0	\$7,026.0	\$8,360.0	\$8,541.0	\$8,643.0	\$2,265.0	\$2,242.0	\$2,255.0	\$2,500.9	\$9,262.9	\$2,315.2	\$2,385.1	\$2,381.6	\$2,518.7	\$9,600.6	\$10,022.2	
Gross Profit, Non-GAAP	\$13,507.0	\$16,717.0	\$20,749.0	\$24,526.0	\$27,725.0	\$30,520.0	\$7,877.0	\$8,270.0	\$8,289.0	\$9,001.0	\$33,437.0	\$8,492.1	\$8,885.9	\$8,951.8	\$9,617.7	\$35,947.5	\$39,382.4	
Gross Profit, GAAP	\$12,863.0	\$15,814.0	\$19,466.0	\$22,992.0	\$26,316.0	\$29,252.0	\$7,564.0	\$7,994.0	\$8,004.0	\$8,667.7	\$32,229.7	\$8,396.2	\$8,811.1	\$8,877.3	\$9,475.4	\$35,560.0	\$39,483.4	
Research and Development, Non-GAAP	\$2,256.0	\$2,895.0	\$3,547.0	\$3,919.0	\$3,934.0	\$4,402.0	\$1,185.0	\$1,201.0	\$1,162.0	\$1,277.5	\$4,825.5	\$1,246.7	\$1,291.4	\$1,264.9	\$1,344.7	\$5,147.6	\$5,614.0	
Research and Development, GAAP	\$2,766.0	\$3,598.0	\$4,465.0	\$5,055.0	\$4,906.0	\$5,493.0	\$1,460.0	\$1,481.0	\$1,433.0	\$1,694.9	\$6,068.9	\$1,519.6	\$1,564.1	\$1,564.4	\$1,665.6	\$6,313.6	\$6,902.7	
Marketing and Sales, Non-GAAP	\$6,726.0	\$8,274.0	\$10,024.0	\$11,354.0	\$10,924.0	\$11,148.0	\$2,911.0	\$2,920.0	\$2,930.0	\$3,254.9	\$12,015.9	\$3,129.0	\$3,203.3	\$3,223.6	\$3,436.2	\$12,992.1	\$14,209.7	
Marketing and Sales, GAAP	\$7,930.0	\$9,674.0	\$11,855.0	\$13,526.0	\$12,877.0	\$13,257.0	\$3,429.0	\$3,443.0	\$3,456.0	\$4,002.4	\$14,330.4	\$3,652.8	\$3,788.3	\$3,820.7	\$4,077.6	\$15,339.4	\$16,810.1	
General and Administrative, Non-GAAP	\$1,651.0	\$1,782.0	\$2,227.0	\$2,185.0	\$2,235.0	\$2,469.0	\$609.0	\$640.0	\$558.0	\$663.5	\$2,470.5	\$616.7	\$688.3	\$632.9	\$679.6	\$2,617.4	\$2,855.9	
General and Administrative, GAAP	\$1,704.0	\$2,087.0	\$2,598.0	\$2,553.0	\$2,534.0	\$2,836.0	\$697.0	\$734.0	\$687.0	\$805.2	\$2,903.2	\$727.7	\$752.3	\$743.8	\$795.4	\$3,019.1	\$3,298.3	
Restructuring							\$828.0	\$988.0	\$461.0	\$36.0	\$4.0	\$260.0	\$237.9	\$537.9	\$135.8	\$167.1	\$209.0	\$202.3
Total Operating Expense, Non-GAAP	\$10,633.0	\$12,951.0	\$15,798.0	\$17,458.0	\$17,093.0	\$18,019.0	\$4,705.0	\$4,761.0	\$4,650.0	\$5,195.9	\$19,311.9	\$4,992.3	\$5,182.9	\$5,121.3	\$5,460.6	\$20,757.2	\$22,679.5	
Total Operating Expense, GAAP	\$12,566.0	\$15,359.0	\$18,918.0	\$21,962.0	\$21,305.0	\$22,047.0	\$5,622.0	\$5,662.0	\$5,816.0	\$6,740.4	\$23,840.4	\$6,035.8	\$6,271.7	\$6,337.9	\$6,740.9	\$25,386.3	\$27,825.2	
EBITDA	\$5,009.0	\$6,612.0	\$8,249.0	\$10,854.0	\$14,591.0	\$15,975.0	\$4,015.0	\$4,326.0	\$4,490.0	\$4,665.9	\$17,496.9	\$4,296.7	\$4,509.8	\$4,627.9	\$4,937.8	\$18,372.2	\$19,644.5	
Depreciation and Amortization	\$2,135.0	\$2,846.0	\$3,298.0	\$3,766.0	\$3,959.0	\$3,477.0	\$843.0	\$817.0	\$851.0	\$860.8	\$3,371.8	\$797.0	\$806.8	\$797.4	\$780.7	\$3,181.8	\$2,941.6	
Stock Based Compensation	\$1,785.0	\$2,190.0	\$2,779.0	\$3,279.0	\$2,787.0	\$3,183.0	\$799.0	\$793.0	\$805.0	\$1,087.8	\$3,484.8	\$842.5	\$878.9	\$892.3	\$923.0	\$3,536.7	\$3,515.5	
Amortization of Purchased Intangibles	\$792.0	\$1,121.0	\$1,624.0	\$1,951.0	\$1,869.0	\$1,651.0	\$395.0	\$380.0	\$386.0	\$562.8	\$1,723.8	\$410.6	\$424.0	\$428.4	\$445.7	\$1,708.7	\$1,638.0	
Operating Income, Non-GAAP	\$2,874.0	\$3,766.0	\$4,951.0	\$7,068.0	\$10,632.0	\$12,498.0	\$3,172.0	\$3,509.0	\$3,639.0	\$3,805.1	\$14,125.1	\$3,499.8	\$3,703.0	\$3,830.5	\$4,157.1	\$15,190.4	\$16,702.9	
Operating Income, GAAP	\$297.0	\$455.0	\$548.0	\$1,030.0	\$5,011.0	\$7,205.0	\$1,942.0	\$2,332.0	\$2,188.0	\$1,927.3	\$8,389.3	\$2,360.4	\$2,639.4	\$2,539.4	\$2,734.5	\$10,173.6	\$11,658.2	
Gains (Losses) on Strategic Investments, Net	\$427.0	\$2,170.0	\$1,211.0	(\$239.0)	(\$277.0)	(\$121.0)	(\$63.0)	\$6.0	\$263.0	\$0.0	\$206.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Other Expense (Income)	\$18.0	\$64.0	\$227.0	\$131.0	(\$216.0)	(\$354.0)	(\$95.0)	(\$68.0)	(\$61.0)	\$96.4	(\$127.6)	(\$25.8)	(\$13.3)	(\$0.3)	\$19.8	(\$19.5)	\$2.3	
Total Other Expense/(Income), Net	(\$409.0)	(\$2,106.0)	(\$984.0)	\$370.0	\$61.0	(\$233.0)	(\$32.0)	(\$74.0)	(\$324.0)	\$96.4	(\$333.6)	(\$25.8)	(\$13.3)	(\$0.3)	\$19.8	(\$19.5)	\$2.3	
Pre-Tax Income, Non-GAAP	\$3,283.0	\$5,872.0	\$5,935.0	\$6,698.0	\$10,571.0	\$12,731.0	\$3,204.0	\$3,583.0	\$3,963.0	\$3,708.6	\$14,458.6	\$3,525.5	\$3,716.3	\$3,830.8	\$4,137.3	\$15,209.9	\$16,700.7	
Pre-Tax Income, GAAP	\$706.0	\$2,561.0	\$1,532.0	\$660.0	\$4,950.0	\$7,438.0	\$1,974.0	\$2,406.0	\$2,512.0	\$1,830.9	\$8,722.9	\$2,386.2	\$2,552.7	\$2,539.7	\$2,714.6	\$10,193.2	\$11,656.0	
Income Tax, Non-GAAP	\$738.7	\$1,291.8	\$1,276.9	\$1,473.6	\$2,484.2	\$2,800.8	\$704.9	\$788.3	\$871.9	\$815.9	\$3,180.9	\$775.6	\$817.6	\$842.8	\$910.2	\$3,346.2	\$3,674.1	
Income Tax, GAAP	\$580.0	(\$1,511.0)	\$88.0	\$452.0	\$814.0	\$1,241.0	\$433.0	\$519.0	\$426.0	\$410.1	\$1,788.1	\$534.5	\$571.8	\$568.9	\$608.1	\$2,283.3	\$2,610.9	
Tax Rate, Non-GAAP	22.5%	22.0%	21.5%	22.0%	23.5%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	
Tax Rate, GAAP	82.2%	(59.0%)	5.7%	68.5%	16.4%	16.7%	21.9%	21.6%	17.0%	22.4%	20.5%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	
Net Income, Non-GAAP	\$2,544.0	\$4,580.0	\$4,669.0	\$5,224.0	\$8,087.0	\$9,930.0	\$2,499.0	\$2,795.0	\$3,091.0	\$2,892.7	\$11,277.7	\$2,749.9	\$2,898.7	\$2,988.0	\$3,227.1	\$11,863.7	\$13,026.5	
Net Income, GAAP	\$126.0	\$4,072.0	\$1,444.0	\$208.0	\$4,136.0	\$6,197.0	\$1,541.0	\$1,887.0	\$2,086.0	\$1,420.7	\$6,934.7	\$1,851.7	\$1,980.9	\$1,970.8	\$2,106.6	\$7,909.9	\$9,045.0	
Basic Shares Outstanding	829.0	908.0	955.0	992.0	974.0	962.0	960.0	956.0	948.0	944.0	952.0	939.0	934.0	929.0	924.0	931.5	911.5	
Diluted Shares Outstanding	850.0	930.0	974.0	997.0	984.0	974.0	970.0	962.0	952.0	954.0	959.5	949.0	944.0	939.0	934.0	941.5	921.5	
Basic EPS	\$0.23	\$4.48	\$1.51	\$0.21	\$4.25	\$6.44	\$1.61	\$1.97	\$2.20	\$1.51	\$7.29	\$1.97	\$2.12	\$2.12	\$2.28	\$8.49	\$9.93	
Diluted EPS, Non-GAAP	\$2.99	\$4.92	\$4.78	\$5.24	\$8.22	\$10.20	\$2.58	\$2.91	\$3.25	\$3.03	\$11.77	\$2.90	\$3.07	\$3.18	\$3.46	\$12.61	\$14.14	
Diluted EPS, GAAP	\$0.21	\$4.38	\$1.48	\$0.21	\$4.20	\$6.36	\$1.59	\$1.96	\$2.19	\$1.49	\$7.23	\$1.95	\$2.10	\$2.10	\$2.26	\$8.40	\$9.82	
Dividend Per Share						\$1.60	\$0.42	\$0.42	\$0.42	\$0.40	\$1.65	\$0.40	\$0.40	\$0.40	\$0.40	\$1.60	\$1.60	

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We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Value Score	D
Growth Score	B
Momentum Score	D
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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