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|--|---|-----------------------|---|---|
| Company: SalesForce | Ticker: CRM 255.47 | Current Price: | Industry: Technology Application | Subgroup: System & |
| Target Price: \$290 Stop Loss: \$232 52W H/L: \$368.88/\$226.50 | TTM P/E: 37.3x F. P/E: 21.6x EPS: 7 | | Beta: 1.19 Credit Rating: A+ Rating Outlook: A+ | Market Cap: 244B Avg. Vol(12M): 9.2M Dividend Yield: 0.65 |

Company Background:

Salesforce provides enterprise cloud computing solutions. The company offers customer relationship management technology that brings companies and customers together. Its customer 360 platform helps the group deliver a single source of truth, connecting customer data across systems, apps, and devices to help companies sell, service, market, and conduct commerce. It also offers Service Cloud for customer support, Marketing Cloud for digital marketing campaigns, Commerce Cloud as an e-commerce engine, the Salesforce Platform, which allows enterprises to build applications, and other solutions, such as MuleSoft for data integration.

Industry Outlook:

CRM software continues to compound at a high-single to low-double-digit CAGR through 2030, driven by AI-enabled automation, data integration, and the ongoing shift from on-premise to cloud. Salesforce leads with ~21% share and the deepest partner ecosystem.

Investment Thesis:

Durable compounder benefiting from: (1) AI-first product cycle (Einstein 1 / Agentforce) embedded across clouds; (2) expanding multi-cloud adoption and data moats (Data Cloud); (3) international expansion toward >40% of revenue by FY30; (4) disciplined capital allocation and margin expansion (FCF and EBIT)

Investment Risks:

- Macro IT-spend softness elongating deal cycles and renewals.
- Intensifying competition (Microsoft, Oracle, Adobe) and AI-native entrants.
- Data-privacy/cyber risks from a large third-party ecosystem (partners/AppExchange).
- Execution risk on AI monetization timing and pricing (Agentforce, Data Cloud).

Take aways from last Earnings Call

GAAP operating margin ~19%; Non-GAAP operating margin ~33%.
Operating cash flow ~\$13.1B; Free cash flow ~\$12.4B (+31% Y/Y).
Total RPO ~\$63B (+11% Y/Y) supporting multi-year visibility.
Announced capital returns (buybacks/dividend) alongside continued AI reinvestment.

| Financial Performance | | | | | | | DCF and Analyst Opinions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--|------------|---------|---------|---------|---------|---------|---------|-------|-------|-------|-------|-------|-------|------------------|-------|-------|--------|--------|--------|--------|--------------|-------|-------|-------|-------|-------|-------|-----------------------|--------|--------|--------|--------|--------|--------|------------------|------|------|------|------|------|------|--------------------|--------|--------|--------|-------|-------|-------|------|------|------|------|------|------|------|---------------|--------|--------|--------|-------|-------|--------|--------|-------|-------|------|------|------|------|-----------------|--------|--------|--------|--------|--------|--------|------------|------|------|------|------|------|------|---------------------|--------|--------|--------|-------|-------|--------|-----------|------|------|------|------|------|------|-------------|------|------|------|------|------|------|----------------|-------|-------|------|------|------|------|---------------------------|------|------|---|---|---|---|--|--|
| <table><tr><th>Income Statement (in Bil, except ratios)</th><th>07/31/2025</th><th>01/2025</th><th>01/2024</th><th>01/2023</th><th>01/2022</th><th>01/2021</th></tr><tr><td>Revenue</td><td>39.50</td><td>37.90</td><td>34.86</td><td>31.35</td><td>26.49</td><td>21.25</td></tr><tr><td>Revenue Growth %</td><td>8.33%</td><td>8.72%</td><td>11.18%</td><td>18.35%</td><td>24.66%</td><td>24.30%</td></tr><tr><td>Gross Profit</td><td>30.67</td><td>29.25</td><td>26.32</td><td>22.99</td><td>19.47</td><td>15.81</td></tr><tr><td>Gross Profit Margin %</td><td>77.65%</td><td>77.19%</td><td>75.50%</td><td>73.34%</td><td>73.48%</td><td>74.41%</td></tr><tr><td>Operating Income</td><td>8.38</td><td>7.67</td><td>6.00</td><td>1.86</td><td>0.55</td><td>0.46</td></tr><tr><td>Operating Margin %</td><td>21.22%</td><td>20.23%</td><td>17.21%</td><td>5.93%</td><td>2.07%</td><td>2.14%</td></tr><tr><td>EBIT</td><td>7.74</td><td>7.06</td><td>4.95</td><td>0.95</td><td>1.75</td><td>2.69</td></tr><tr><td>EBIT Margin %</td><td>19.59%</td><td>18.64%</td><td>14.20%</td><td>3.02%</td><td>6.61%</td><td>12.64%</td></tr><tr><td>EBITDA</td><td>11.09</td><td>10.54</td><td>8.91</td><td>4.73</td><td>5.05</td><td>5.53</td></tr><tr><td>EBITDA Margin %</td><td>28.07%</td><td>27.81%</td><td>25.56%</td><td>15.10%</td><td>19.06%</td><td>26.04%</td></tr><tr><td>Net Income</td><td>6.66</td><td>6.20</td><td>4.14</td><td>0.21</td><td>1.44</td><td>4.07</td></tr><tr><td>Net Profit Margin %</td><td>16.87%</td><td>16.35%</td><td>11.87%</td><td>0.66%</td><td>5.45%</td><td>19.16%</td></tr><tr><td>Basic EPS</td><td>6.96</td><td>6.44</td><td>4.25</td><td>0.21</td><td>1.51</td><td>4.48</td></tr><tr><td>Diluted EPS</td><td>6.88</td><td>6.36</td><td>4.20</td><td>0.21</td><td>1.48</td><td>4.38</td></tr><tr><td>Normalized EPS</td><td>10.68</td><td>10.19</td><td>8.21</td><td>5.44</td><td>3.82</td><td>3.08</td></tr><tr><td>Total Dividends per Share</td><td>1.63</td><td>1.60</td><td>—</td><td>—</td><td>—</td><td>—</td></tr></table> | | | | | | | Income Statement (in Bil, except ratios) | 07/31/2025 | 01/2025 | 01/2024 | 01/2023 | 01/2022 | 01/2021 | Revenue | 39.50 | 37.90 | 34.86 | 31.35 | 26.49 | 21.25 | Revenue Growth % | 8.33% | 8.72% | 11.18% | 18.35% | 24.66% | 24.30% | Gross Profit | 30.67 | 29.25 | 26.32 | 22.99 | 19.47 | 15.81 | Gross Profit Margin % | 77.65% | 77.19% | 75.50% | 73.34% | 73.48% | 74.41% | Operating Income | 8.38 | 7.67 | 6.00 | 1.86 | 0.55 | 0.46 | Operating Margin % | 21.22% | 20.23% | 17.21% | 5.93% | 2.07% | 2.14% | EBIT | 7.74 | 7.06 | 4.95 | 0.95 | 1.75 | 2.69 | EBIT Margin % | 19.59% | 18.64% | 14.20% | 3.02% | 6.61% | 12.64% | EBITDA | 11.09 | 10.54 | 8.91 | 4.73 | 5.05 | 5.53 | EBITDA Margin % | 28.07% | 27.81% | 25.56% | 15.10% | 19.06% | 26.04% | Net Income | 6.66 | 6.20 | 4.14 | 0.21 | 1.44 | 4.07 | Net Profit Margin % | 16.87% | 16.35% | 11.87% | 0.66% | 5.45% | 19.16% | Basic EPS | 6.96 | 6.44 | 4.25 | 0.21 | 1.51 | 4.48 | Diluted EPS | 6.88 | 6.36 | 4.20 | 0.21 | 1.48 | 4.38 | Normalized EPS | 10.68 | 10.19 | 8.21 | 5.44 | 3.82 | 3.08 | Total Dividends per Share | 1.63 | 1.60 | — | — | — | — | Analyst Opinion Buy Exit EV/EBITDA: 20 Target \$290X Stop-loss 20%. | |
| | | | | | | | Income Statement (in Bil, except ratios) | 07/31/2025 | 01/2025 | 01/2024 | 01/2023 | 01/2022 | 01/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | Revenue | 39.50 | 37.90 | 34.86 | 31.35 | 26.49 | 21.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | Revenue Growth % | 8.33% | 8.72% | 11.18% | 18.35% | 24.66% | 24.30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | Gross Profit | 30.67 | 29.25 | 26.32 | 22.99 | 19.47 | 15.81 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | Gross Profit Margin % | 77.65% | 77.19% | 75.50% | 73.34% | 73.48% | 74.41% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | Operating Income | 8.38 | 7.67 | 6.00 | 1.86 | 0.55 | 0.46 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | Operating Margin % | 21.22% | 20.23% | 17.21% | 5.93% | 2.07% | 2.14% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | EBIT | 7.74 | 7.06 | 4.95 | 0.95 | 1.75 | 2.69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | EBIT Margin % | 19.59% | 18.64% | 14.20% | 3.02% | 6.61% | 12.64% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | 11.09 | 10.54 | 8.91 | 4.73 | 5.05 | 5.53 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA Margin % | 28.07% | 27.81% | 25.56% | 15.10% | 19.06% | 26.04% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Income | 6.66 | 6.20 | 4.14 | 0.21 | 1.44 | 4.07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Profit Margin % | 16.87% | 16.35% | 11.87% | 0.66% | 5.45% | 19.16% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Basic EPS | 6.96 | 6.44 | 4.25 | 0.21 | 1.51 | 4.48 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diluted EPS | 6.88 | 6.36 | 4.20 | 0.21 | 1.48 | 4.38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Normalized EPS | 10.68 | 10.19 | 8.21 | 5.44 | 3.82 | 3.08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Dividends per Share | 1.63 | 1.60 | — | — | — | — | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg Revenue Growth(5YR CAGR) | | 7.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg. EBITDA Margin(FY25) | | 13.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg Net Income Margin(LTM) | | 16.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt/Equity | | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg FCF Margin | | 25.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost of Debt | | 3.83% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax Rate | | 16.19% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost of Equity | | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| WACC | | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|-----------------------|---|------------------|----------|--------|-----------|---------|---------------|----------------|---------------|--------------|------------------------|---------------|
| | | | | | | | | | | | Perpetuity Growth Rate | 2.75% |
| Relative Valuation | | | | | | | | | | | | |
| Company Name | Description | Market Cap (\$n) | EV (\$n) | EBITDA | EV/EBITDA | P/E TTM | 5YR Avg. ROIC | Gross Margin | EBIT Margin | Net Margin | 5Yr Beta | Credit Rating |
| SALESFORCE, INC. | Salesforce, Inc. is a provider of customer relationship management (CRM) technology. The Company helps organizations of any size reimagine their business for the world of artificial intelligence (AI). With Agentforce, its platform, organizations can bring humans together with AI agents to drive customer | 242.46 | 239.04 | 12 | 20 | 36.96 | 10% | 82% | 20% | 17% | 1.19 | A+ |
| ORACLE CORPORATION | Oracle Corporation owns and operates a wide range of applications plus secure, autonomous infrastructure in the Oracle Cloud. The Company operates through three businesses: cloud and license, hardware and service. Its cloud and license business is engaged in the sale, marketing and delivery of its enterprise | 801.27 | 999.43 | 24.05 | 41.56 | 65.06 | 13% | 70% | 32% | 21% | 1.51 | BBB |
| ADOBE INC. | Adobe Inc. is a global technology company. The Company's products, services and solutions are used around the world to imagine, create, manage, deliver, measure, optimize and engage with content across surfaces and fuel digital experiences. Its segments include Digital Media, Digital Experience, and | 150.53 | 138.53 | 9.22 | 15.02 | 22.41 | 36% | 89% | 36% | 30% | 1.48 | A+ |
| MICROSOFT CORPORATION | Microsoft Corporation is a technology company. The Company develops and supports software, services, devices, and solutions. The Company's segments include Productivity and Business Processes, Intelligent Cloud, and More Personal Computing. The Productivity and Business Processes segment consists | 4038.02 | 3820.50 | 151.37 | 25.24 | 39.82 | 28% | 69% | 46% | 36% | 1.02 | AAA |
| WORKDAY, INC. | Workday, Inc. is a provider of an artificial intelligence (AI) platform to help organizations manage their people, money, and agents. The Company provides over 11,000 organizations with cloud solutions powered by AI to help solve business challenges, including supporting and empowering their workforce, | 63.39 | 56.36 | 8.56 | 6.58 | 110.01 | 3% | 76% | 9% | 7% | 1.11 | BBB+ |
| Statistics Summary | | Market Cap (\$n) | EV (\$n) | EBITDA | EV/EBITDA | P/E TTM | ROIC | Gross Margin % | EBIT Margin % | Net Margin % | 5Yr Beta | |
| High | | 4038 | 3820.50 | 151.37 | 41.56 | 110.01 | 36% | 89% | 46% | 36% | 1.51 | |
| Low | | 63.39 | 56.36 | 8.56 | 6.58 | 22.41 | 3% | 69% | 9% | 7% | 1.02 | |
| Average | | 1059 | 1050.77 | 40.98 | 21.76 | 54.85 | 18% | 77% | 28% | 22% | 1.26 | |

Company:
EV/EBITDA: 20
P/E(TTM): 36.96
ROIC: 9.72%

Comps Average
EV/EBITDA: 21.76
P/E (TTM): 54.85

Spread:
ROIC vs. WACC
9.72 vs. 8.34% → 1.2%

| Relative Performance | YTD | 1yr |
|-------------------------------|---------|---------|
| CRM | -22.50% | -11.70% |
| Information Technology Sector | -6.76% | -8.47% |
| S&P 500 | +16.54% | +18.53 |

Sustainability ⓘ

Risk Rating Assessment

Risk Rating Breakdown

ESG Risk Rating Assessment



ESG Risk Rating



Highest Controversy Level (1 = Low, 5 = Severe)

2 Moderate
Incidents: Employee, Customer

Top Material ESG Issues

Data Privacy & Cybersecurity
Overall

Human Capital
Overall

Business Ethics
Overall

ESG Risk Rating is as of Sep 03, 2025. Highest Controversy Level is as of Oct 08, 2025. Sustainalytics Subindustry: Enterprise and Infrastructure Software. Sustainalytics provides Morningstar with company ESG ratings and metrics on a monthly basis and as such, the ratings in Morningstar may not necessarily reflect current Sustainalytics' scores for the company. For the most up to date rating and more information, please visit: sustainalytics.com/esg-ratings/.