

Salesforce (CRM US)

Inline 4QFY26 results; strong AgentForce momentum to support 2HFY27 reacceleration

Salesforce reported 4QFY26 results: total revenue was up by 12% YoY to US\$11.2bn, and non-GAAP operating income grew by 16% YoY to US\$3.8bn, both in line with Bloomberg consensus estimates. 4QFY26 cRPO grew by 13% YoY in constant currency (CC) to US\$35.1bn, including 4ppts Informatica contribution, also largely in line with the company guidance. Strong momentum of AgentForce and Data 360 was partially offset by the softness in marketing, commerce, and Tableau businesses. Management guided total revenue to increase by 10-11% YoY to US\$45.80-46.20bn in FY27E, in line with the consensus estimate. Management is upbeat that organic revenue growth will reaccelerate in 2HFY27E, and update its FY30E revenue target of US\$63bn (FY26-30E CAGR of 11%), supported by the strong AgentForce business. We slightly trim our FY27-28 non-GAAP operating income forecast by 2-4% as the company steps up investment in infrastructure and sales capacity. We lower our target price to US\$320.0 based on 15x FY27E EV/EBITDA (previous: US\$392.0 based on 21x FY26E EV/EBITDA), given that SaaS sector valuation declined due to investor concerns on heightening competitive pressure from LLM providers. That said, we remain upbeat on AgentForce momentum and expect 2HFY27E reacceleration to support sentiment and valuation recovery. Maintain BUY.

- Expect organic revenue growth to reaccelerate in 2HFY27E.** cRPO was up by 13% YoY in CC, and subscription revenue grew by 11% YoY to US\$10.7bn in CC in 4QFY26 (both incl. 4ppts Informatica contribution), primarily driven by the solid growth of AgentForce and Data 360, but partially offset by the weakness in marketing, commerce, and Tableau businesses. The strong AgentForce momentum led Net New AOV growth to accelerate and outpace AOV growth in 2HFY26, further boosting management's confidence in the reacceleration of organic revenue growth in 2HFY27E. Management guided 1QFY27E total revenue growth of 10-11% in CC, including c.4ppts Informatica contribution, which implies 6-7% organic revenue growth.
- Strong AgentForce momentum.** AgentForce and Data 360 ARR grew by over 200% YoY to US\$2.9bn in 4QFY26, including US\$1.1bn Informatica Cloud ARR. AgentForce ARR was up by 169% YoY to US\$800mn in 4QFY26, underpinned by the strong execution and solid growth of AgentForce consumption: 1) the company closed 29,000 AgentForce deals since launch, up by 50% QoQ; 2) the company processed over 19tn tokens (up by 5x YoY) and 2.4bn Agentive Work Units (up by 57% QoQ) across AgentForce and Slack since launch; 3) solid consumption drove upsell opportunities, with over 60% of Agentforce and Data 360's 4QFY26 bookings coming from existing customer expansion.
- Expect steady margin expansion in FY27E.** Non-GAAP OPM rose by 1.1ppt YoY to 34.2% in 4QFY26. Management guided FY27E non-GAAP OPM to expand by 0.2ppt YoY to 34.3%, supported by AI-enhanced efficiency, but partially offset by investment in infra and sales capacity.

Earnings Summary

(YE 31 Jan)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue (US\$ mn)	37,895	41,525	46,076	50,985	56,610
Adjusted net profit (US\$ mn)	9,930.0	11,969.0	12,399.4	13,963.7	15,940.6
EPS (Adjusted) (US\$)	10.20	12.52	13.15	14.81	16.90
Consensus EPS (US\$)	10.20	12.52	13.18	15.01	17.72
P/E (x)	28.8	23.6	24.7	21.6	18.2

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	US\$320.00
(Previous TP)	US\$392.00)
Up/Downside	60.4%
Current Price	US\$199.47

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Stock Data

Mkt Cap (US\$ mn)	187,102.9
Avg 3 mths t/o (US\$ mn)	2,270.2
52w High/Low (US\$)	297.85/178.16
Total Issued Shares (mn)	938.0

Source: FactSet

Shareholding Structure

The Vanguard Group	8.7%
BlackRock	7.6%

Source: Company data

Share Performance

	Absolute	Relative
1-mth	-12.7%	-10.2%
3-mth	-12.6%	-12.3%
6-mth	-20.3%	-25.6%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: Salesforce: forecast revision

US\$ bn	Current			Previous			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	46.1	51.0	56.6	46.3	50.7	NA	-0.4%	0.5%	NA
Gross Profit	36.0	40.1	44.7	36.3	40.1	NA	-0.8%	0.0%	NA
Non-GAAP OP	15.8	17.8	20.3	16.2	18.5	NA	-2.4%	-3.9%	NA
Non-GAAP NP	12.4	14.0	15.9	13.0	14.8	NA	-4.9%	-5.8%	NA
Non-GAAP EPS (US\$)	13.1	14.8	16.9	13.6	15.5	NA	-3.3%	-4.2%	NA
Gross Margin	78.2%	78.6%	79.0%	78.5%	79.0%	NA	-0.3 ppt	-0.4 ppt	NA
Non-GAAP OPM	34.3%	34.9%	35.9%	35.0%	36.5%	NA	-0.7 ppt	-1.6 ppt	NA
Non-GAAP NPM	26.9%	27.4%	28.2%	28.2%	29.2%	NA	-1.3 ppt	-1.8 ppt	NA

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

US\$ bn	CMBIGM			Consensus			Diff (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	46.1	51.0	56.6	46.0	50.4	55.3	0.1%	1.2%	2.4%
Non-GAAP OP	15.8	17.8	20.3	16.1	18.2	20.8	-1.6%	-2.1%	-2.3%
Non-GAAP NP	12.4	14.0	15.9	12.6	14.3	16.6	-1.4%	-2.4%	-4.2%
Non-GAAP EPS (US\$)	13.1	14.8	16.9	13.2	15.0	17.7	-0.2%	-1.3%	-4.6%
Non-GAAP OPM	34.3%	34.9%	35.9%	34.9%	36.1%	37.6%	-0.6 ppt	-1.2 ppt	-1.7 ppt
Non-GAAP NPM	26.9%	27.4%	28.2%	27.3%	28.4%	30.1%	-0.4 ppt	-1.0 ppt	-2.0 ppt

Source: Bloomberg, CMBIGM estimates

Valuation

We value Salesforce at US\$320.0 per share based on 15x FY27E EV/EBITDA. Our target EV/EBITDA is at a discount to the sector average (17x), given Salesforce earnings growth has entered a more mature stage.

Figure 3: Salesforce: target valuation

EV/EBITDA Valuation (US\$mn)	FY27E
Adjusted EBITDA	20,223
Target FY27E EV/EBITDA (x)	15
Target EV	303,347
Net Cash	(3,112)
Target equity valuation	300,235
Valuation per share (USD)	320.0

Source: Company data, CMBIGM estimates

Figure 4: SaaS: valuation comparison

Companies	Ticker	Price (Local)	EV/Sales (x)			EV/EBITDA (x)			Rev CAGR FWD 3FY
			+1FY	+2FY	+3FY	+1FY	+2FY	+3FY	
CRM									
HubSpot	HUBS US	245.7	3.1	2.7	2.3	13.0	10.6	9.9	17%
Five9	FIVN US	17.9	1.2	1.1	1.0	4.9	4.2	3.7	10%
ITSM									
ServiceNow	NOW US	104.2	6.3	5.4	4.5	17.3	14.4	12.2	19%
Atlassian	TEAM US	73.2	2.8	2.4	2.0	10.2	8.7	7.3	19%
Security									
CrowdStrike	CRWD US	363.3	18.3	15.0	12.4	68.2	52.1	40.1	22%
Okta	OKTA US	73.0	3.9	3.6	3.3	13.8	13.0	11.4	10%
ERP									
SAP	SAP US	198.3	6.0	5.4	4.8	15.6	13.5	11.6	11%
Oracle	ORCL US	147.9	7.8	6.0	4.1	14.4	10.7	7.4	31%
Collaboration									

Twilio	TWLO US	118.3	2.9	2.7	2.5	15.5	13.2	12.2	9%
Ring Central	RNG US	34.5	1.6	1.5	1.3	5.7	5.5	5.1	9%
Zoom	ZM US	85.4	3.7	3.6	3.4	8.8	8.6	8.0	4%
Average			5.2	4.5	3.8	17.0	14.0	11.7	

Source: Bloomberg, CMBIGM

Note: data are as of 25 Feb 2026

Financial Summary

INCOME STATEMENT	2024A	2025A	2026A	2027E	2028E	2029E
YE 31 Jan (US\$ mn)						
Revenue	34,857	37,895	41,525	46,076	50,985	56,610
Cost of goods sold	(8,541)	(8,643)	(9,270)	(10,040)	(10,899)	(11,884)
Gross profit	26,316	29,252	32,255	36,036	40,086	44,727
Operating expenses	(21,305)	(21,586)	(23,338)	(26,263)	(28,858)	(31,419)
Selling expense	(12,877)	(13,257)	(14,345)	(16,127)	(17,743)	(19,531)
Admin expense	(3,522)	(2,836)	(3,000)	(3,317)	(3,569)	(3,680)
R&D expense	(4,906)	(5,493)	(5,993)	(6,819)	(7,546)	(8,209)
Operating profit	5,011	7,666	8,917	9,773	11,229	13,308
Other expense	216	354	172	0	0	0
Other gains/(losses)	(277)	(121)	1,017	(230)	(255)	(283)
Pre-tax profit	4,950	7,899	10,106	9,542	10,974	13,025
Income tax	(814)	(1,241)	(2,063)	(1,975)	(2,304)	(2,735)
After tax profit	4,136	6,658	8,043	7,567	8,669	10,290
Net profit	4,136	6,658	8,043	7,567	8,669	10,290
Adjusted net profit	8,087	9,930	11,969	12,399	13,964	15,941
BALANCE SHEET	2024A	2025A	2026A	2027E	2028E	2029E
YE 31 Jan (US\$ mn)						
Current assets	29,074	29,727	28,222	29,977	38,151	48,239
Cash & equivalents	8,472	8,848	7,327	5,473	9,781	15,512
Account receivables	11,414	11,945	14,339	15,910	17,606	19,548
Prepayment	1,561	1,779	2,075	2,302	2,471	2,662
Financial assets at FVTPL	5,722	5,184	2,238	2,238	2,238	2,238
Other current assets	1,905	1,971	2,243	4,053	6,055	8,279
Non-current assets	70,749	73,201	84,083	81,952	80,038	79,082
PP&E	3,689	3,236	3,120	2,804	2,388	1,957
Deferred income tax	3,433	4,770	3,628	3,628	3,628	3,628
Investment in JVs & assos	4,848	4,852	7,591	7,591	7,591	7,591
Intangibles	5,278	4,428	6,815	5,000	3,502	2,977
Goodwill	48,620	51,283	57,941	57,941	57,941	57,941
Other non-current assets	4,881	4,632	4,988	4,988	4,988	4,988
Total assets	99,823	102,928	112,305	111,929	118,189	127,321
Current liabilities	26,631	27,980	37,118	37,132	41,159	45,704
Account payables	6,111	6,658	8,253	8,939	9,509	10,057
Other current liabilities	999	0	4,000	0	0	0
Lease liabilities	518	579	548	548	548	548
Contract liabilities	19,003	20,743	24,317	27,646	31,101	35,098
Non-current liabilities	13,546	13,775	16,045	16,045	16,045	16,045
Long-term borrowings	8,427	8,433	10,439	10,439	10,439	10,439
Other non-current liabilities	5,119	5,342	5,606	5,606	5,606	5,606
Total liabilities	40,177	41,755	53,163	53,177	57,204	61,749
Share capital	1	1	1	1	1	1
Capital surplus	59,841	64,576	68,835	72,982	77,316	81,844
Retained earnings	11,721	16,369	22,221	29,650	38,319	48,609
Other reserves	(11,917)	(19,773)	(31,915)	(43,881)	(54,651)	(64,882)
Total shareholders equity	59,646	61,173	59,142	58,752	60,985	65,573
Total equity and liabilities	99,823	102,928	112,305	111,929	118,189	127,321

CASH FLOW	2024A	2025A	2026A	2027E	2028E	2029E
YE 31 Jan (US\$ mn)						
Operating						
Profit before taxation	4,950	7,899	10,106	9,542	10,974	13,025
Depreciation & amortization	3,959	3,477	3,631	4,415	4,431	3,556
Tax paid	(814)	(1,241)	(2,063)	(1,975)	(2,304)	(2,735)
Change in working capital	(2,573)	(1,860)	(781)	(904)	(1,289)	(1,420)
Others	4,712	4,817	4,103	5,318	5,783	6,138
Net cash from operations	10,234	13,092	14,996	16,396	17,593	18,564
Investing						
Capital expenditure	(736)	(658)	(594)	(691)	(765)	(849)
Acquisition of subsidiaries/ investments	(82)	(2,734)	(9,268)	0	0	0
Net proceeds from disposal of short-term investments	(2,250)	(2,736)	651	0	0	0
Others	1,741	2,965	621	(1,592)	(1,752)	(1,752)
Net cash from investing	(1,327)	(3,163)	(8,590)	(2,284)	(2,516)	(2,601)
Financing						
Net borrowings	(1,182)	(1,000)	6,000	(4,000)	0	0
Share repurchases	(7,620)	(7,829)	(12,596)	(11,966)	(10,770)	(10,231)
Others	1,325	(600)	(1,483)	0	0	0
Net cash from financing	(7,477)	(9,429)	(8,079)	(15,966)	(10,770)	(10,231)
Net change in cash						
Cash at the beginning of the year	7,016	8,472	8,848	7,327	5,473	9,781
Exchange difference	26	(124)	152	0	0	0
Cash at the end of the year	8,472	8,848	7,327	5,473	9,781	15,512
GROWTH	2024A	2025A	2026A	2027E	2028E	2029E
YE 31 Jan						
Revenue	11.2%	8.7%	9.6%	11.0%	10.7%	11.0%
Gross profit	14.5%	11.2%	10.3%	11.7%	11.2%	11.6%
Operating profit	386.5%	53.0%	16.3%	9.6%	14.9%	18.5%
Net profit	1,888.5%	61.0%	20.8%	(5.9%)	14.6%	18.7%
Adj. net profit	54.8%	22.8%	20.5%	3.6%	12.6%	14.2%
PROFITABILITY	2024A	2025A	2026A	2027E	2028E	2029E
YE 31 Jan						
Gross profit margin	75.5%	77.2%	77.7%	78.2%	78.6%	79.0%
Operating margin	14.4%	20.2%	21.5%	21.2%	22.0%	23.5%
Adj. net profit margin	23.2%	26.2%	28.8%	26.9%	27.4%	28.2%
Return on equity (ROE)	7.0%	11.0%	13.4%	12.8%	14.5%	16.3%
GEARING/LIQUIDITY/ACTIVITIES	2024A	2025A	2026A	2027E	2028E	2029E
YE 31 Jan						
Current ratio (x)	1.1	1.1	0.8	0.8	0.9	1.1
Receivable turnover days	119.5	115.1	126.0	126.0	126.0	126.0
Payable turnover days	261.2	281.2	325.0	325.0	318.5	308.9
VALUATION	2024A	2025A	2026A	2027E	2028E	2029E
YE 31 Jan						
P/E	47.0	28.8	23.6	24.7	21.6	18.2
P/E (diluted)	47.5	29.2	23.7	24.9	21.7	18.3
P/B	3.3	3.1	3.2	3.2	3.1	2.9

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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