27 Feb 2026

CMB International Global Markets | Equity Research | Company Update

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 Agentic 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**

Software & IT Services

Saiyi HE, CFA
(852) 3916 1739
hesaiyi@cmbi.com.hk

Wentao LU, CFA
luwentao@cmbi.com.hk

Ye TAO, CFA
(852) 3850 5226
franktao@cmbi.com.hk

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%

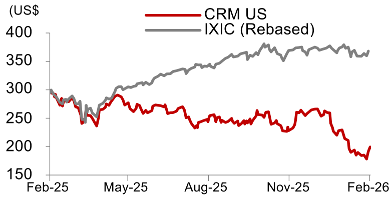
Source: Company data

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

	Current			Previous			Change (%)		
US$ bn	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

	CMBIGM			Consensus			Diff (%)		
US$ bn	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	EV/Sales (x)			EV/EBITDA (x)			Rev CAGR
		(Local)	+1FY	+2FY	+3FY	+1FY	+2FY	+3FY	FWD 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.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report.
Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY	: Stock with potential return of over 15% over next 12 months
HOLD	: Stock with potential return of +15% to -10% over next 12 months
SELL	: Stock with potential loss of over 10% over next 12 months
NOT RATED	: Stock is not rated by CMBIGM
OUTPERFORM	: Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM	: Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM	: Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888   Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.
This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.
The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.
CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.
Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom
This report has been provided only to persons (I)falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time)("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.,) of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States
CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore
This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.