

# Salesforce (CRM US)

## Solid 3QFY26 results; robust Agentforce and Data 360 momentum

Salesforce announced 3QFY26 results: total revenue grew by 9% YoY to US\$10.3bn, in line with Bloomberg consensus estimate; non-GAAP operating income was up by 17% YoY to US\$3.6bn, 4% ahead of consensus estimate mainly due to the timing of expenses and bad debt expense adjustment. cRPO increased by 11% YoY to US\$29.4bn, c.100bps ahead of the guidance, primarily thanks to the strong bookings on the back of solid Agentforce momentum. Agentforce and Data 360 ARR reached c.US\$1.4bn in 3QFY26, up 114% YoY. For 4QFY26E, management expected total revenue to increase by 11-12% to US\$11.13-11.23bn, including c.3ppts contribution from Informatica consolidation; and cRPO to grow by c.15% YoY, including c.4ppts Informatica contribution. In view of the strong momentum of Agentforce and Data 360, which we expect to have more meaningful contribution in FY27/28E, we raise our FY26-28E total revenue forecast by 0-3%, and raise our target price by 1% to US\$392.0 based on 21x FY26E EV/EBITDA. Maintain BUY.

- **Expect AOV growth to accelerate in the coming quarters.** cRPO grew by 11% YoY to US\$29.4bn in 3QFY26, driven by strong bookings on solid Agentforce momentum, and modest benefits from early renewals. Management noted that the Net New AOV growth outpaced AOV growth in 3QFY26, the first time since FY22, implying AOV growth could accelerate in the coming quarters. The company also continued to make progress in different product verticals such as ITSM, life sciences cloud and public sector solutions. The new bookings of life sciences cloud tripled YoY, and the ARR of public sector solutions grew by c.50% YoY in 3QFY26.
- **Strong Agentforce adoption and consumption.** Agentforce and Data 360 ARR grew by 114% YoY to c.US\$1.4bn in 3QFY26, within which Agentforce ARR increased by 330% YoY to US\$500mn. The customers' adoption and consumption were strong: 1) Agentforce has processed over 3.2tn tokens and powered 1.2bn LLM calls through the LLM gateway. In Oct 2025 alone, token usage grew by 25% MoM to c.540bn. 2) The company has closed 9,500 paid Agentforce deals since its launch, up by 50% QoQ. Agentforce accounts in production grew by 70% QoQ in 3QFY26. 3) 50% of Agentforce and Data 360 bookings in 3QFY26 came from existing customer expansion. We remain constructive on Salesforce's value proposition in the AI agent market, given its robust data infrastructure, know-how in various workflows and strong product capabilities.
- **Enhanced operating efficiency.** Non-GAAP OPM rose by 2.4ppt YoY to 35.5% in 3QFY26. Salesforce leverages AI to enhance its efficiency: 1) its SDR agent has processed hundreds of thousands of leads; 2) Agentforce on its customer service website processed 2mn conversations in 3QFY26. Management raised FY26E operating cash flow growth forecast to +13-14% YoY (previous: +12-13% YoY), in view of the strong booking performance. The company is on track to deliver its long-term financial target of over US\$60bn revenue (excl. Informatica) and the "rule of 50" by FY30E.

### Earnings Summary

(YE 31 Jan)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (US\$ mn)	34,857	37,895	41,481	46,279	50,748
Adjusted net profit (US\$ mn)	8,087.0	9,930.0	11,274.8	13,033.4	14,820.5
EPS (Adjusted) (US\$)	8.22	10.20	11.76	13.59	15.45
Consensus EPS (US\$)	8.22	10.20	11.37	12.71	14.52
P/E (x)	56.2	34.5	29.2	26.3	22.2

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** US\$392.00  
 (Previous TP) US\$388.00  
**Up/Downside** 64.2%  
**Current Price** US\$238.72

### US Software & IT Services

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

**Wentao LU, CFA**  
 luwentao@cmbi.com.hk

**Ye TAO, CFA**  
 franktao@cmbi.com.hk

**Joanna Ma**  
 (852) 3761 8838  
 joannama@cmbi.com.hk

### Stock Data

Mkt Cap (US\$ mn)	228,932.5
Avg 3 mths t/o (US\$ mn)	1,092.3
52w High/Low (US\$)	361.99/225.37
Total Issued Shares (mn)	959.0

Source: FactSet

### Shareholding Structure

The Vanguard Group	8.7%
BlackRock	7.6%

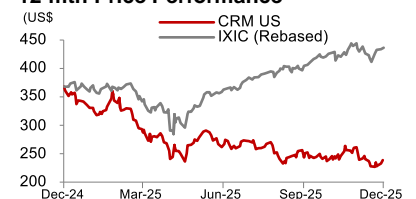
Source: Company data

### Share Performance

	Absolute	Relative
1-mth	-6.2%	-6.4%
3-mth	-2.2%	-9.3%
6-mth	-9.3%	-24.6%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

## Business forecasts update and valuation

Figure 1: Salesforce: forecast revision

US\$ bn	Current			Previous			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	41.5	46.3	50.7	41.2	46.3	49.4	0.6%	0.0%	2.7%
Gross Profit	32.3	36.3	40.1	32.0	36.3	39.0	0.7%	0.1%	2.9%
Non-GAAP OP	14.2	16.2	18.5	14.1	16.1	18.0	0.7%	0.4%	3.2%
Non-GAAP NP	11.3	13.0	14.8	11.0	12.8	14.1	2.8%	2.1%	4.9%
Non-GAAP EPS (US\$)	11.8	13.6	15.5	11.4	13.2	14.6	3.6%	2.8%	5.7%
Gross Margin	77.8%	78.5%	79.0%	77.7%	78.5%	78.8%	0.1 ppt	0.1 ppt	0.2 ppt
Non-GAAP OPM	34.1%	35.0%	36.5%	34.1%	34.9%	36.3%	0.0 ppt	0.1 ppt	0.2 ppt
Non-GAAP NPM	27.2%	28.2%	29.2%	26.6%	27.6%	28.6%	0.6 ppt	0.6 ppt	0.6 ppt

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

US\$ bn	CMBIGM			Consensus			Diff (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	41.5	46.3	50.7	41.2	45.0	49.2	0.6%	2.8%	3.1%
Non-GAAP OP	14.2	16.2	18.5	14.0	15.5	17.8	0.8%	4.3%	4.2%
Non-GAAP NP	11.3	13.0	14.8	11.0	12.3	14.0	2.6%	5.6%	5.5%
Non-GAAP EPS (US\$)	11.8	13.6	15.5	11.4	12.7	14.5	3.4%	6.9%	6.4%
Non-GAAP OPM	34.1%	35.0%	36.5%	34.0%	34.5%	36.1%	0.1 ppt	0.5 ppt	0.4 ppt
Non-GAAP NPM	27.2%	28.2%	29.2%	26.6%	27.4%	28.5%	0.5 ppt	0.7 ppt	0.7 ppt

Source: Bloomberg, CMBIGM estimates

## Valuation

We value Salesforce at US\$392.0 per share based on an unchanged 21x FY26E EV/EBITDA. Our target EV/EBITDA is at a discount to the sector average (27x), given Salesforce earnings growth has entered a more mature stage.

Figure 3: Salesforce: target valuation

EV/EBITDA Valuation (US\$mn)	FY26E
Adjusted EBITDA	17,771
Target FY26E EV/EBITDA (x)	21
Target EV	373,194
Net cash	3,047
Target equity valuation	376,241
Valuation per share (USD)	392.0

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	375.0	5.9	5.1	4.4	26.2	21.7	17.6	17%
Five9	FIVN US	20.5	1.6	1.5	1.3	6.9	6.0	5.3	10%
ITSM									
ServiceNow	NOW US	832.9	12.8	10.8	9.1	36.7	30.5	25.1	19%
Atlassian	TEAM US	156.8	6.3	5.3	4.5	23.3	19.5	15.9	19%
Security									
CrowdStrike	CRWD US	524.2	26.8	22.0	18.1	100.7	75.4	58.5	22%
Okta	OKTA US	86.3	4.7	4.3	4.0	na	na	13.7	10%
ERP									
SAP	SAP US	243.8	8.1	7.3	6.5	22.4	19.3	16.5	11%
Oracle	ORCL US	207.7	10.3	8.3	5.5	19.2	15.2	10.5	30%
Collaboration									

4 Dec 2025

Twilio	TWLO US	128.1	3.6	3.3	3.1	17.5	15.4	13.1	10%
Ring Central	RNG US	29.2	1.5	1.5	1.4	5.9	5.5	5.3	4%
Zoom	ZM US	85.6	3.8	3.7	3.6	9.2	8.9	8.7	4%
<b>Average</b>			<b>7.8</b>	<b>6.6</b>	<b>5.6</b>	<b>26.8</b>	<b>21.8</b>	<b>17.3</b>	

Source: Bloomberg, CMBIGM

Note: data are as of 3 Dec 2025

## Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Jan (US\$ mn)						
Revenue	31,352	34,857	37,895	41,481	46,279	50,748
Cost of goods sold	(8,360)	(8,541)	(8,643)	(9,223)	(9,946)	(10,655)
Gross profit	22,992	26,316	29,252	32,258	36,333	40,093
Operating expenses	(21,962)	(21,305)	(21,586)	(22,980)	(25,685)	(27,404)
Selling expense	(13,526)	(12,877)	(13,257)	(14,103)	(15,781)	(17,000)
Admin expense	(3,381)	(3,522)	(2,836)	(2,904)	(3,240)	(3,299)
R&D expense	(5,055)	(4,906)	(5,493)	(5,973)	(6,664)	(7,105)
Operating profit	1,030	5,011	7,666	9,278	10,648	12,689
Other expense	(131)	216	354	224	93	0
Other gains/(losses)	(239)	(277)	(121)	66	74	81
Pre-tax profit	660	4,950	7,899	9,568	10,815	12,770
Income tax	(452)	(814)	(1,241)	(1,793)	(2,163)	(2,554)
After tax profit	208	4,136	6,658	7,775	8,652	10,216
Net profit	208	4,136	6,658	7,775	8,652	10,216
Adjusted net profit	5,224	8,087	9,930	11,275	13,033	14,820

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Jan (US\$ mn)						
Current assets	26,395	29,074	29,727	33,816	36,935	44,013
Cash & equivalents	7,016	8,472	8,848	11,480	12,688	18,087
Account receivables	10,755	11,414	11,945	12,879	14,369	15,756
Prepayment	1,356	1,561	1,779	2,273	2,663	2,920
Financial assets at FVTPL	5,492	5,722	5,184	5,184	5,184	5,184
Other current assets	1,776	1,905	1,971	1,999	2,031	2,066
Non-current assets	72,454	70,749	73,201	72,310	79,187	79,092
PP&E	3,702	3,689	3,236	3,037	2,835	2,662
Deferred income tax	2,800	3,433	4,770	4,770	4,770	4,770
Investment in JVs & assos	4,672	4,848	4,852	4,852	4,852	4,852
Intangibles	7,125	5,278	4,428	3,736	3,315	3,392
Goodwill	48,568	48,620	51,283	51,283	58,783	58,783
Other non-current assets	5,587	4,881	4,632	4,632	4,632	4,632
Total assets	98,849	99,823	102,928	106,126	116,122	123,104
Current liabilities	25,891	26,631	27,980	30,283	32,450	34,935
Account payables	6,486	6,111	6,658	6,998	6,792	7,131
Other current liabilities	1,182	999	0	0	0	0
Lease liabilities	847	518	579	579	579	579
Contract liabilities	17,376	19,003	20,743	22,706	25,079	27,225
Non-current liabilities	14,599	13,546	13,775	13,775	18,775	18,775
Long-term borrowings	9,419	8,427	8,433	8,433	13,433	13,433
Other non-current liabilities	5,180	5,119	5,342	5,342	5,342	5,342
Total liabilities	40,490	40,177	41,755	44,058	51,225	53,710
Share capital	1	1	1	1	1	1
Capital surplus	55,047	59,841	64,576	58,535	52,713	46,994
Retained earnings	7,585	11,721	16,369	23,305	31,956	42,172
Other reserves	(4,274)	(11,917)	(19,773)	(19,773)	(19,773)	(19,773)
Total shareholders equity	58,359	59,646	61,173	62,068	64,897	69,394
Total equity and liabilities	98,849	99,823	102,928	106,126	116,122	123,104

<b>CASH FLOW</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Jan (US\$ mn)</b>						
<b>Operating</b>						
Profit before taxation	660	4,950	7,899	9,568	10,815	12,770
Depreciation & amortization	3,786	3,959	3,477	3,608	3,625	3,394
Tax paid	(452)	(814)	(1,241)	(1,793)	(2,163)	(2,554)
Change in working capital	(1,830)	(2,573)	(1,860)	(1,447)	(2,303)	(2,000)
Others	4,947	4,712	4,817	4,938	6,261	6,612
<b>Net cash from operations</b>	<b>7,111</b>	<b>10,234</b>	<b>13,092</b>	<b>14,875</b>	<b>16,235</b>	<b>18,222</b>
<b>Investing</b>						
Capital expenditure	(798)	(736)	(658)	(788)	(879)	(964)
Acquisition of subsidiaries/ investments	(439)	(82)	(2,734)	0	(7,500)	0
Net proceeds from disposal of short-term investments	(3,006)	(2,250)	(2,736)	0	0	0
Others	2,254	1,741	2,965	(1,929)	(2,122)	(2,335)
<b>Net cash from investing</b>	<b>(1,989)</b>	<b>(1,327)</b>	<b>(3,163)</b>	<b>(2,717)</b>	<b>(10,502)</b>	<b>(3,299)</b>
<b>Financing</b>						
Net borrowings	(4)	(1,182)	(1,000)	0	5,000	0
Share repurchases	(4,000)	(7,620)	(7,829)	(9,525)	(9,525)	(9,525)
Others	442	1,325	(600)	0	0	0
<b>Net cash from financing</b>	<b>(3,562)</b>	<b>(7,477)</b>	<b>(9,429)</b>	<b>(9,525)</b>	<b>(4,525)</b>	<b>(9,525)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	5,464	7,016	8,472	8,848	11,480	12,688
Exchange difference	(8)	26	(124)	0	0	0
<b>Cash at the end of the year</b>	<b>7,016</b>	<b>8,472</b>	<b>8,848</b>	<b>11,480</b>	<b>12,688</b>	<b>18,087</b>
<b>GROWTH</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Jan</b>						
Revenue	18.3%	11.2%	8.7%	9.5%	11.6%	9.7%
Gross profit	18.1%	14.5%	11.2%	10.3%	12.6%	10.3%
Operating profit	88.0%	386.5%	53.0%	21.0%	14.8%	19.2%
Net profit	(85.6%)	1,888.5%	61.0%	16.8%	11.3%	18.1%
Adj. net profit	12.1%	54.8%	22.8%	13.5%	15.6%	13.7%
<b>PROFITABILITY</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Jan</b>						
Gross profit margin	73.3%	75.5%	77.2%	77.8%	78.5%	79.0%
Operating margin	3.3%	14.4%	20.2%	22.4%	23.0%	25.0%
Adj. net profit margin	16.7%	23.2%	26.2%	27.2%	28.2%	29.2%
Return on equity (ROE)	0.4%	7.0%	11.0%	12.6%	13.6%	15.2%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Jan</b>						
Current ratio (x)	1.0	1.1	1.1	1.1	1.1	1.3
Receivable turnover days	125.2	119.5	115.1	113.3	113.3	113.3
Payable turnover days	283.2	261.2	281.2	277.0	249.3	244.3
<b>VALUATION</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Jan</b>						
P/E	1,138.5	56.2	34.5	29.2	26.3	22.2
P/E (diluted)	1,144.2	56.8	34.9	29.4	26.5	22.4
P/B	4.1	3.9	3.8	3.7	3.5	3.3

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.