Q4 FY18 Financial Update

Salesforce

NYSE: CRM
@Salesforce_ir

Safe Harbor

"Safe harbor" statement under the Private Securities Litigation Reform Act of 1995: Thispresentation contains forward-looking statements about our financial results, which may include expected GAAP and non-GAAP financial and other operating and non-operating results, including revenue, net income, diluted earnings per share, operating cash flow growth, operating margin improvement, deferred revenue growth, expected revenue run rate, expected tax rates, stock-based compensation expenses, amortization of purchased intangibles, amortization of debt discount and shares outstanding. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, the company's results could differ materially from the results expressed or implied by the forward-looking statements we make.

The risks and uncertainties referred to above include -- but are not limited to -- risks associated with the effect of general economic and market conditions; the impact of foreign currency exchange rate and interest rate fluctuations on our results; our business strategy and our plan to build our business, including our strategy to be the leading provider of enterprise cloud computing applications and platforms; the pace of change and innovation in enterprise cloud computing services; the competitive nature of the market in which we participate; our international expansion strategy; our service performance and security, including the resources and costs required to prevent, detect and remediate potential security breaches; the expenses associated with new data centers and third-party infrastructure providers; additional data center capacity; real estate and office facilities space; our operating results and cash flows; new services and product features; our strategy of acquiring or making investments in complementary businesses, joint ventures, services, technologies and intellectual property rights; the performance and fair value of our investments in complementary businesses through our strategic investment portfolio; our ability to realize the benefits from strategic partnerships and investments; our ability to successfully integrate acquired businesses and technologies; our ability to continue to grow and maintain deferred revenue and unbilled deferred revenue; our ability to protect our intellectual property rights; our ability to develop our brands; our reliance on third-party hardware, software and platform providers; our dependency on the development and maintenance of the infrastructure of the Internet; the effect of evolving domestic and foreign government regulations, including those related to the provision of services on the Internet, those related to accessing the Internet, and those addressing data privacy and import and export controls; the valuation of our deferred tax assets; the potential availability of additional tax assets in the future; the impact of new accounting pronouncements and tax laws, including the U.S. Tax Cuts and Jobs Act, and interpretations thereof; uncertainties affecting our ability to estimate our non-GAAP tax rate; the impact of expensing stock options and other equity awards; the sufficiency of our capital resources; factors related to our outstanding convertible notes, revolving credit facility, term loan and loan associated with 50 Fremont; compliance with our debt covenants and capital lease obligations; current and potential litigation involving us; and the impact of climate change.

Further information on these and other factors that could affect the company's financial results is included in the reports on Forms 10-K, 10-Q and 8-K and in other filings we make with the Securities and Exchange Commission from time to time. These documents are available on the SEC Filings section of the Investor Information section of the company's website at www.salesforce.com/investor.

Salesforce.com, inc. assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

Company Overview

The global leader in CRM

Founded in 1999, public listing (NYSE: CRM) 2004.

#1 CRM provider for the fifth year in a row[1].

Fastest growing top five enterprise software company with $10.48B in revenue FY18 (25% Y/Y).

Doubled operating cash flow ($1.2B-$2.7B) over the past three years (FY15-FY18) while nearly doubling revenue ($5.4B-$10.5B).

Headquartered in San Francisco, with >29,000 Employees focused on CRM and customer success.

FORTUNE FUTURE 50

#1 The Future 50

HUMAN RIGHTS CAMPAIGN

Best Places to Work for LGBTQ Equality

#1 FORTUNE'S 100 BEST COMPANIES TO WORK FOR 2018

FAST COMPANY

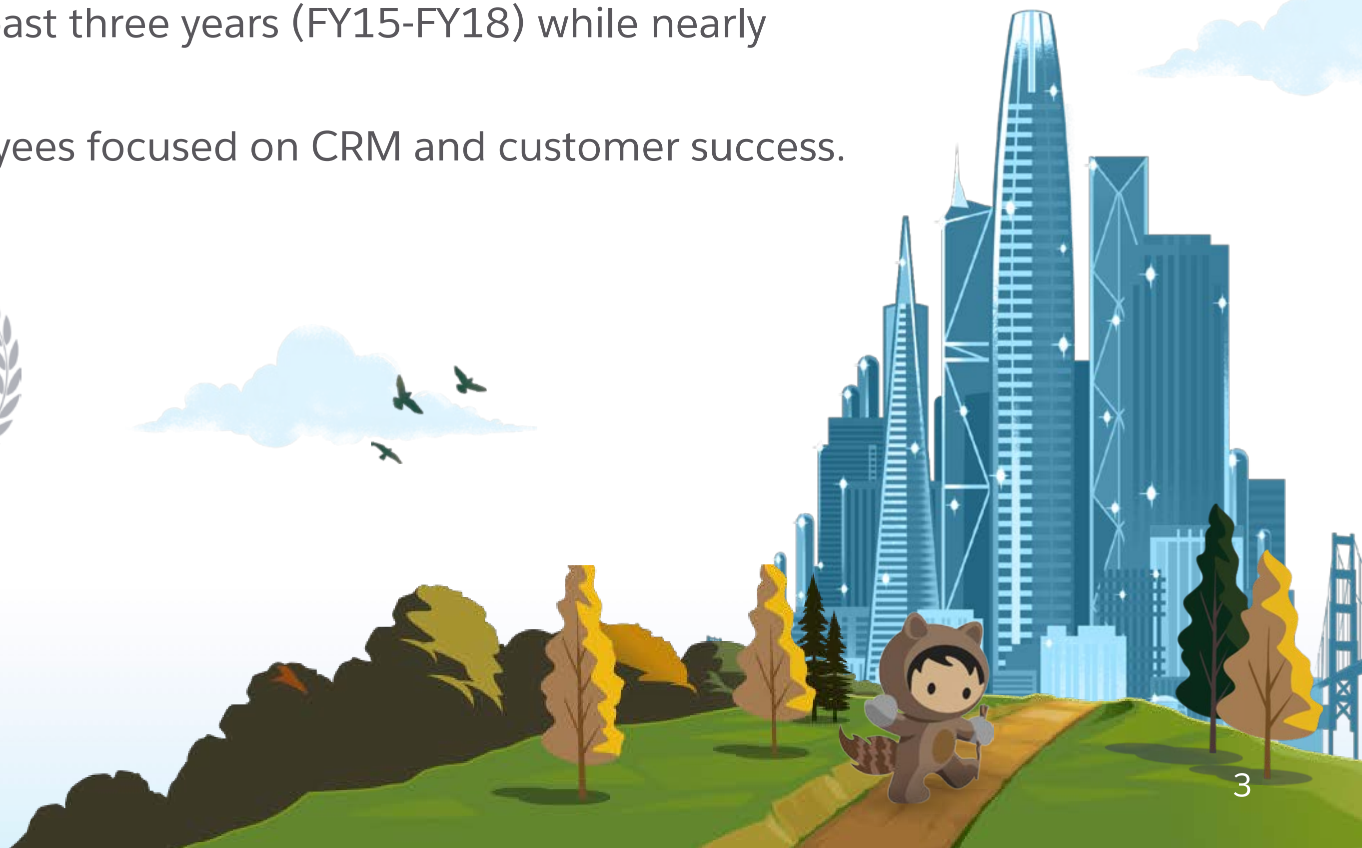
The World's Most Innovative Companies

Forbes

#1 World's Most Innovative Companies

People

#1 Top 50 Companies that Care



[1]Based on IDC 2017H1 Market Share Revenue Worldwide. Source: IDC, Worldwide Semiannual Software Tracker, Oct 2017

Financial Overview

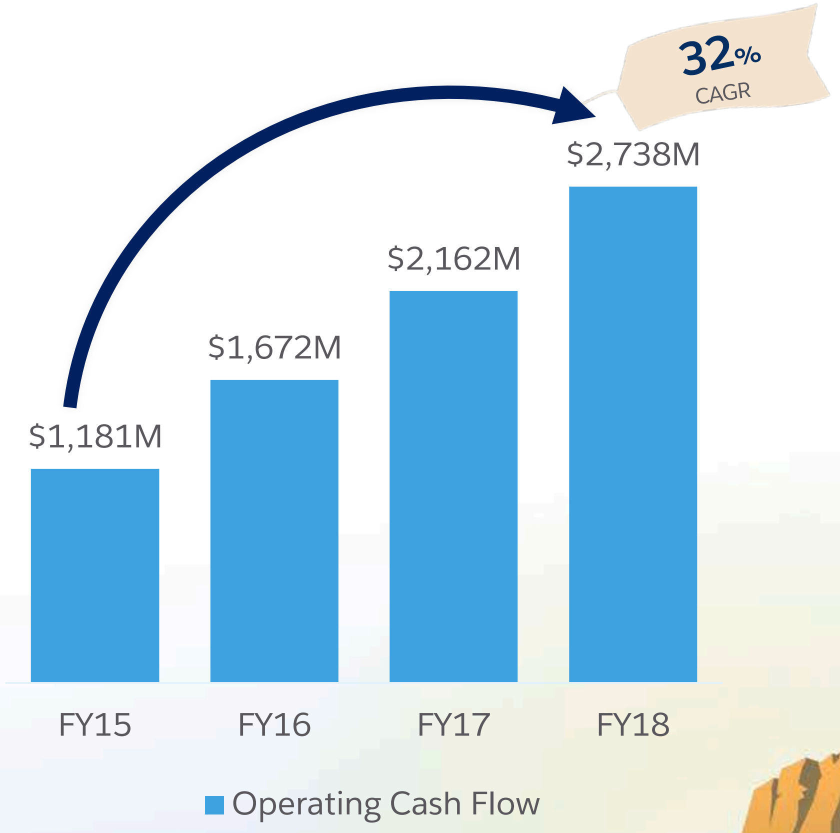
Annual Results

FY18 Financial Summary

	GAAP		Non-GAAP[1]	
	Annual Results	Increase / (Decrease) y/y	Annual Results	Increase / (Decrease) y/y
Revenue	$10,480M	25%	$10,381M CC	24% CC
Deferred Revenue	$7,095M	28%	$6,965M CC	25% CC
Unbilled Deferred Revenue	N/A	N/A	$13,300M	48%
Operating Margin	2.2%	148 bps	14.5%	128 bps
Diluted Earnings Per Share	$0.17[2]	(35%)	$1.35[2]	34%[3]
Operating Cash Flow	$2,738M	27%	N/A	N/A

[1]The Non-GAAP columns present only non-GAAP financial metrics and the related non-GAAP growth rates as compared to prior periods. Non-GAAP revenue and non-GAAP deferred revenue represent CC results. Refer to slide 8 for an explanation of non-GAAP CC revenue and to slide 14 for an explanation of non-GAAP CC deferred revenue. Unbilled Deferred Revenue is an operational measure and represents future billings under our non-cancelable subscription agreements that have not been invoiced and, accordingly, are not recorded in deferred revenue. Non-GAAP operating margin and non-GAAP EPS are non-GAAP financial measures. Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable. [2]Diluted EPS calculation utilizes GAAP revenue results disclosed above. [3]Non-GAAP Diluted EPS year-over-year growth is calculated using the EPS results for the current and prior periods rounded to the nearest whole cent, as presented in the Appendix.

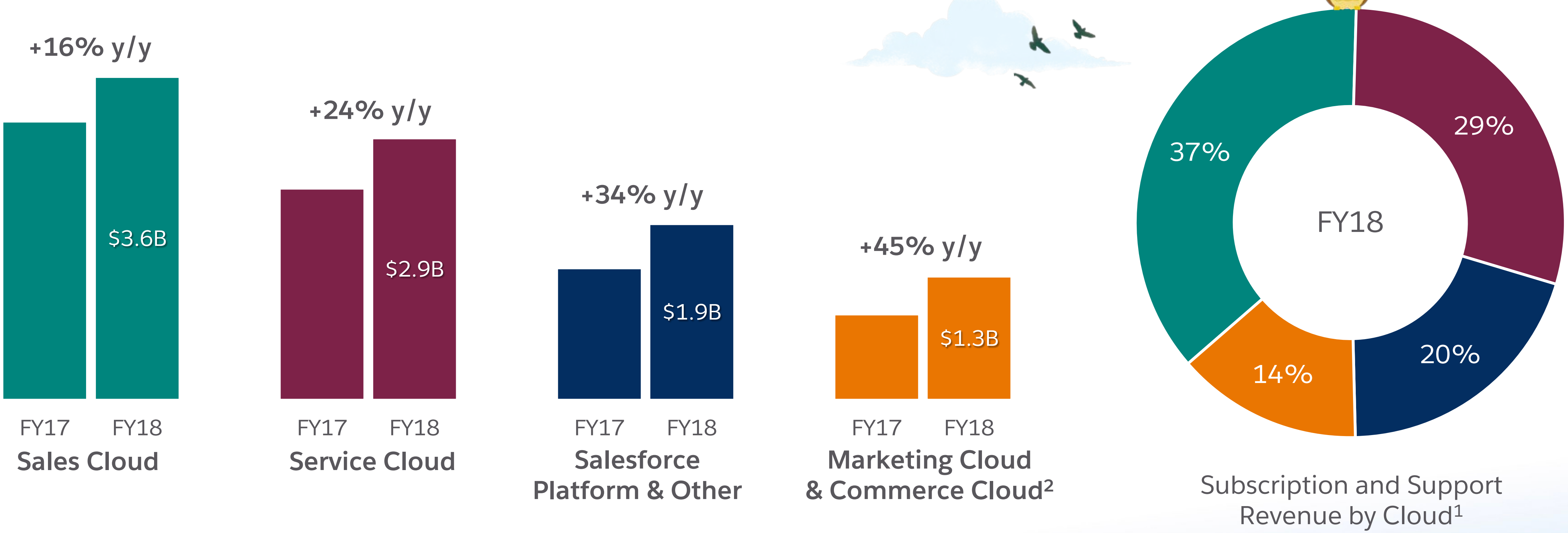
FY18 Financial Results



[1]Non-GAAP operating margin excludes the effects of stock-based compensation, amortization of purchased intangibles, and lease termination resulting from purchase of office building. A complete reconciliation of GAAP to non-GAAP measures can be found in the Appendix and at www.salesforce.com.

Annual Subscription and Support Revenue by Cloud

Complete portfolio of CRM products



[1]Percentages represent annual cloud revenues as a proportion of total annual Subscription and Support revenue. [2]Marketing Cloud revenue, excluding Commerce Cloud revenue, grew 34% during FY18.

FY18 Revenue by Region

Strong revenue growth across geographies

AMERICAS

$7,579M
+22% y/y
+22% y/y CC[1]

EMEA

$1,904M
+39% y/y
+31% y/y CC[1]

APAC

$997M
+26% y/y
+27% y/y CC[1]

[1]Non-GAAP revenue CC growth rates as compared to the comparable prior period. We present CC information for revenue to provide a framework for assessing how our underlying business performed excluding the effects of foreign currency rate fluctuations. To present CC revenue, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the weighted average exchange rate for the quarter being compared to for growth rate calculations presented, rather than the actual exchange rates in effect during that period.

Financial Overview

Quarterly Results

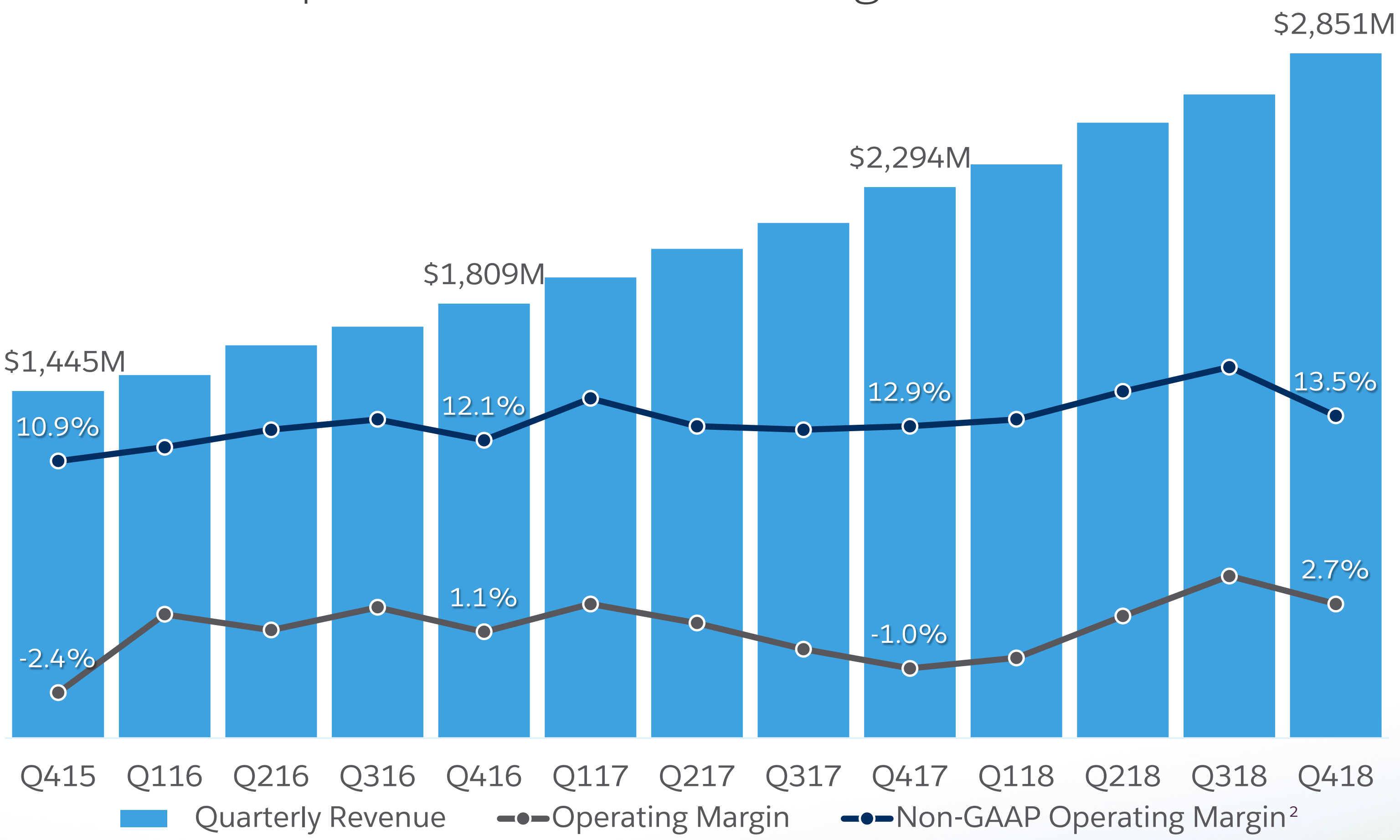
Q4 FY18 Financial Summary

	GAAP		Non-GAAP[1]	
	Quarterly Results	Increase y/y	Quarterly Results	Increase y/y
Revenue	$2,851M	24%	$2,787M CC	21% CC
Deferred Revenue	$7,095M	28%	$6,965M CC	25% CC
Unbilled Deferred Revenue	N/A	N/A	$13,300M	48%
Operating Margin	2.7%	375 bps	13.5%	62 bps
Diluted Earnings Per Share	$0.09[2]	229%	$0.35[2]	25%[3]
Operating Cash Flow	$1,051M	49%	N/A	N/A

[1]The Non-GAAP columns present only non-GAAP financial metrics and the related non-GAAP growth rates as compared to prior periods. Non-GAAP revenue and non-GAAP deferred revenue represent CC results. Refer to slide 8 for an explanation of non-GAAP CC revenue and to slide 14 for an explanation of non-GAAP CC deferred revenue. Unbilled Deferred Revenue is an operational measure and represents future billings under our non-cancelable subscription agreements that have not been invoiced and, accordingly, are not recorded in deferred revenue. Non-GAAP operating margin and non-GAAP EPS are non-GAAP financial measures. Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable. [2]Diluted EPS calculation utilizes GAAP revenue results disclosed above. [3]Non-GAAP Diluted EPS year-over-year growth is calculated using the EPS results for the current and prior periods rounded to the nearest whole cent, as presented in the Appendix.

Total Quarterly Revenue and Operating Margin

Balanced top-line and bottom-line growth



Q4 FY18

+24% / +21% CC[1]

y/y revenue growth

GAAP operating margin

+510 bps

3 year improvement

Non-GAAP operating margin[2]

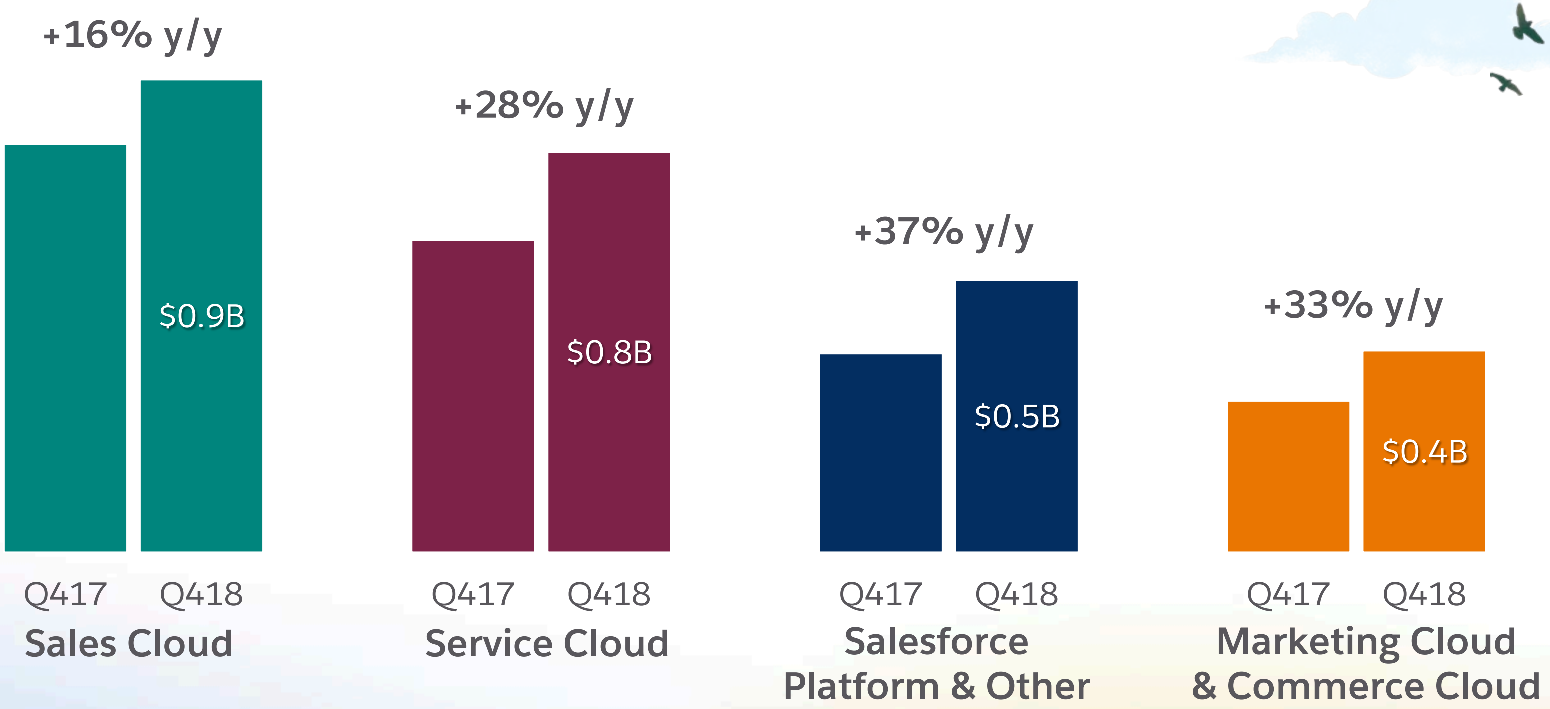
+260bps

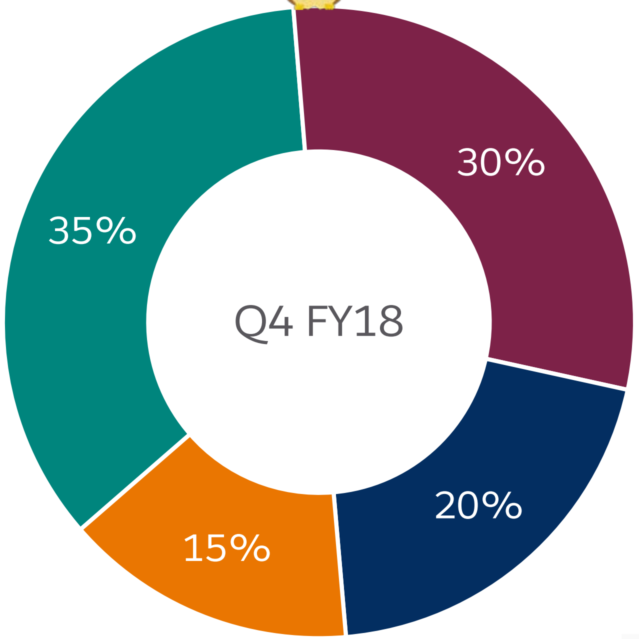
3 year improvement

[1]Refer to slide 8 for an explanation of non-GAAP revenue CC growth rate as compared to the comparable prior period. [2]Non-GAAP Operating Margin is the proportion of non-GAAP income from operations as a percentage of revenue and is a non-GAAP financial measure. Refer to the Appendix for an explanation of which items are excluded from our non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable.

Quarterly Subscription and Support Revenue by Cloud

Complete portfolio of CRM products





Subscription and Support Revenue by Cloud[1]

[1]Percentages represent quarterly cloud revenues as a proportion of total quarterly Subscription and Support revenue. [2]Marketing Cloud revenue, excluding Commerce Cloud revenue, grew 31% during Q4 FY18.

Q4 FY18 Revenue by Region

Strong revenue growth across geographies

AMERICAS

$2,042M
+19% y/y
+19% y/y CC[1]

EMEA

$536M
+48% y/y
+31% y/y CC[1]

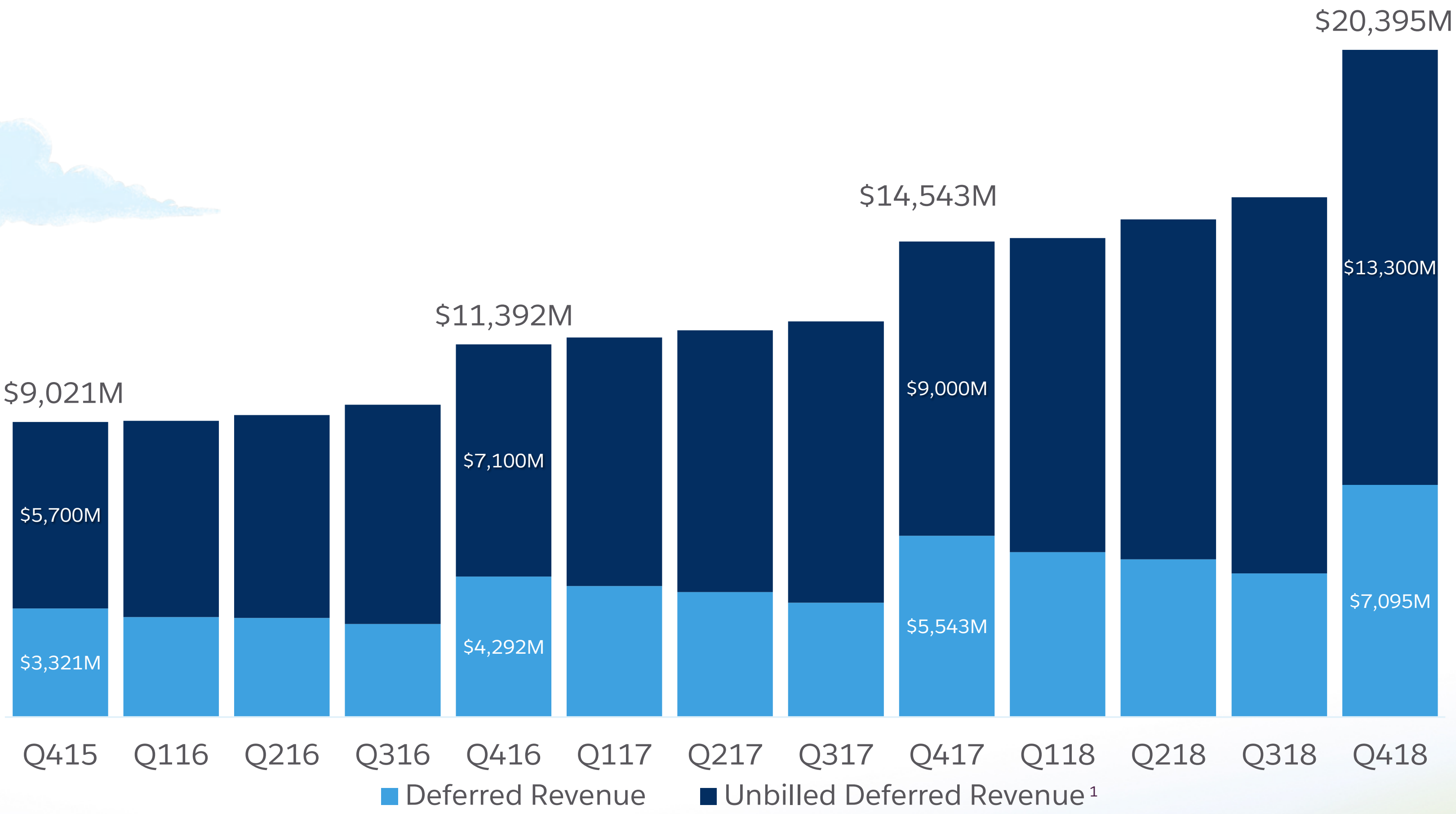
APAC

$273M
+27% y/y
+26% y/y CC[1]

[1]Refer to slide 8 for an explanation of Non-GAAP CC revenue.

Quarterly Deferred Revenue: Billed and Unbilled

Consistent growth on and off the balance sheet



Q4 FY18

y/y growth

+40%

Total Billed and Unbilled Deferred Revenue

+48%

Unbilled Deferred Revenue

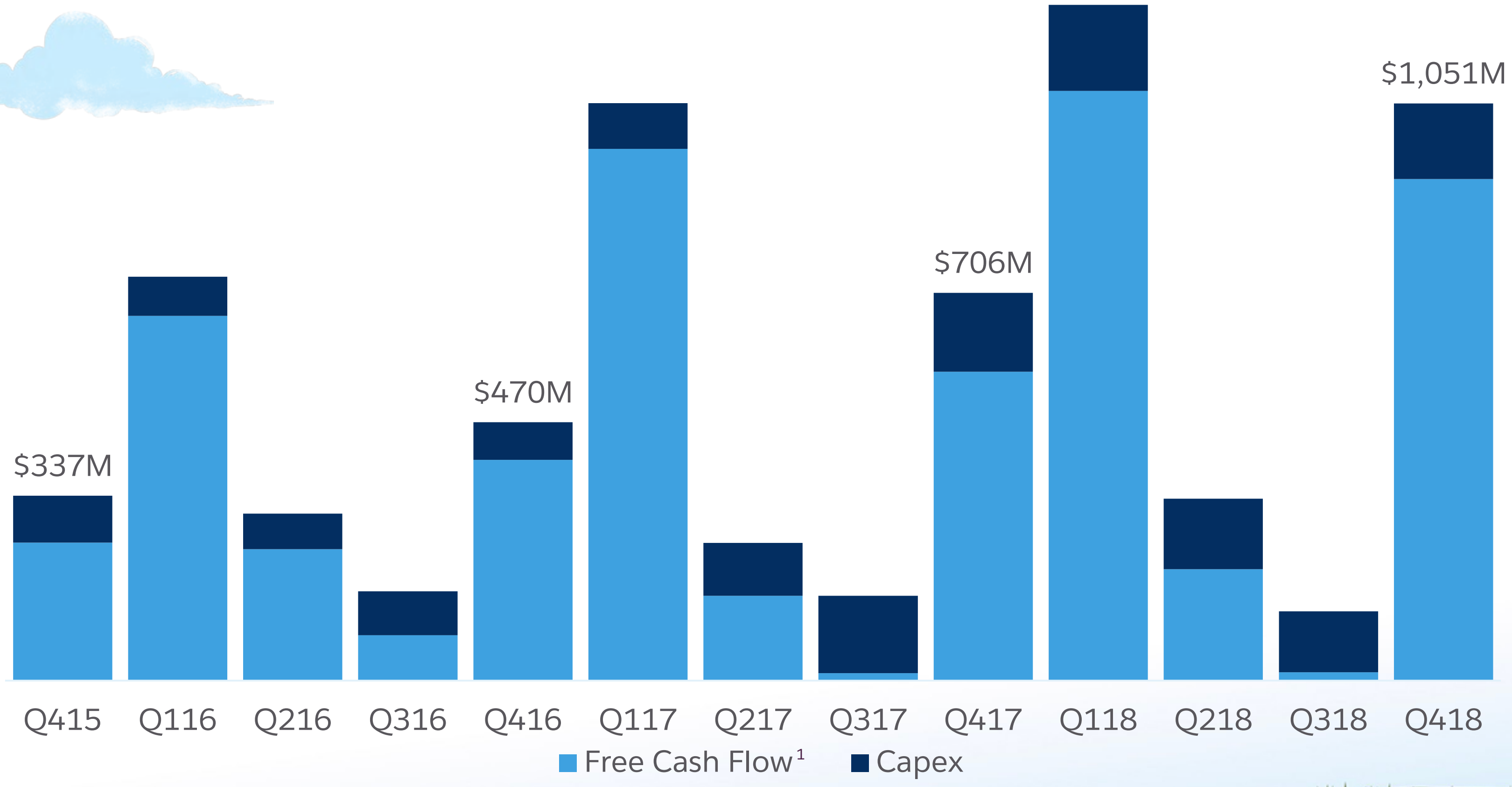
+28% / +25% CC[1]

Deferred Revenue

[1]Unbilled Deferred Revenue is an operational measure and represents future billings under our non-cancelable subscription agreements that have not been invoiced and, accordingly, are not recorded in deferred revenue. [2]Non-GAAP CC growth rates as compared to the comparable prior periods. We present CC information for deferred revenue to provide a framework for assessing how our underlying business performed excluding the effects of foreign currency rate fluctuations. To present CC deferred revenue, we convert the deferred revenue balances in local currencies in previous comparable periods using the United States dollar currency exchange rate as on the most recent balance sheet date.

Quarterly Operating Cash Flow

Operating cash flow growth outpaces revenue growth



Q4 FY18

y/y growth

+49%

operating cash flow

[1]Free cash flow is a non-GAAP financial measure. Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP free cash flow to the most comparable GAAP measure.

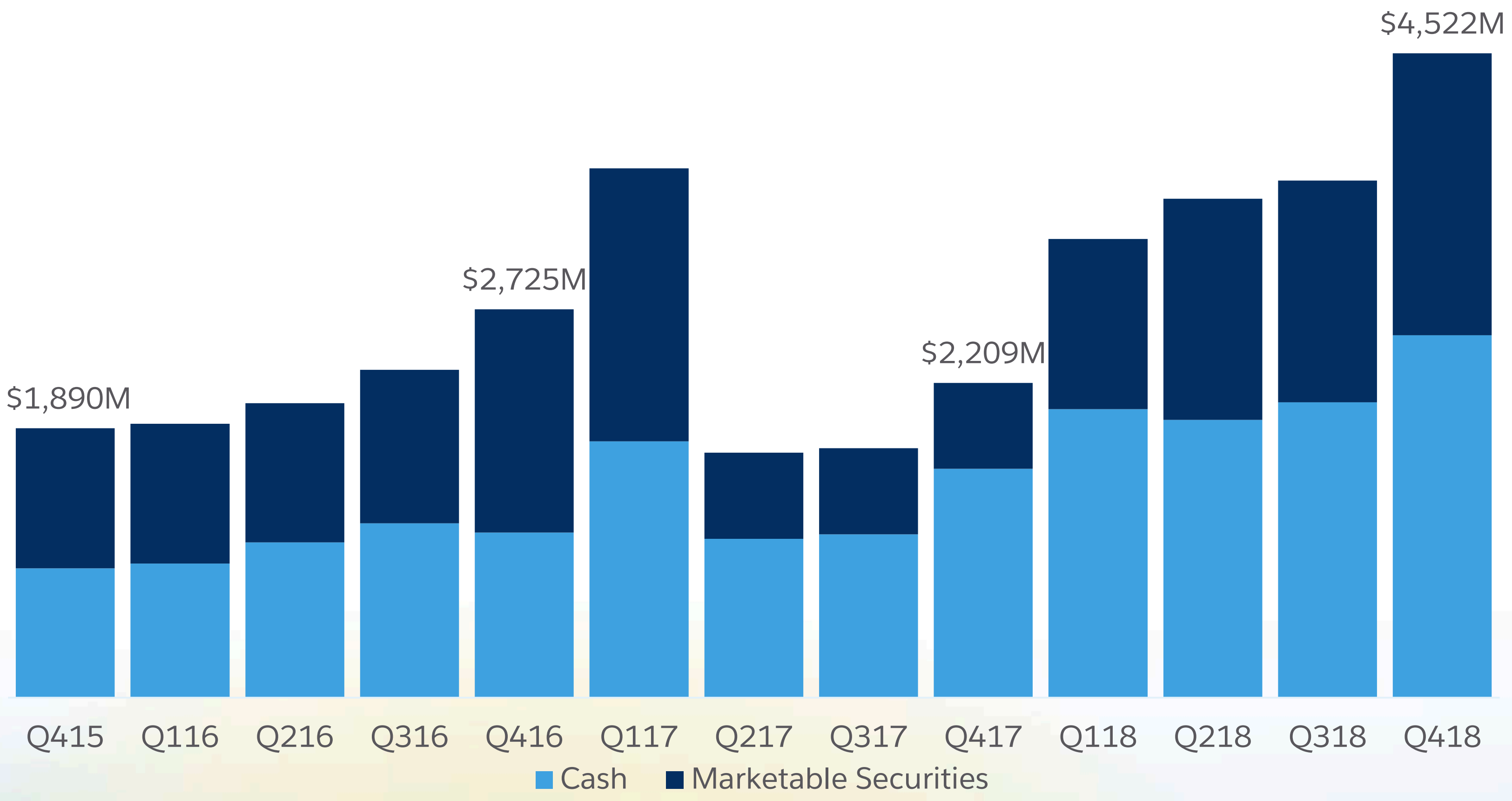
Quarterly Cash and Marketable Securities

Q4 FY18
y/y growth

+105%
Total Cash and Marketable Securities

+228%
Marketable Securities

+58%
Cash



Business Overview

CRM is Now the Fastest Growing Enterprise Software Segment

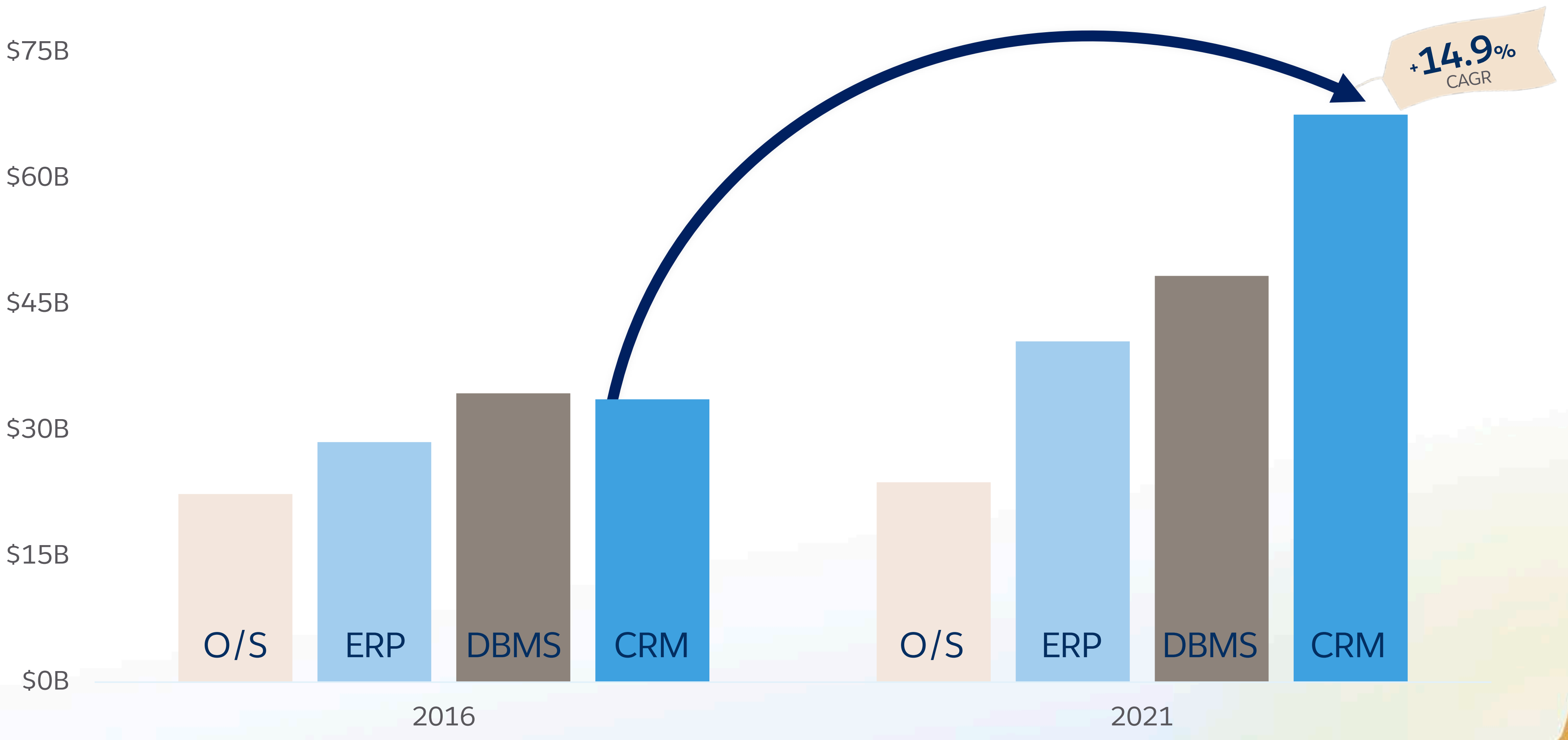
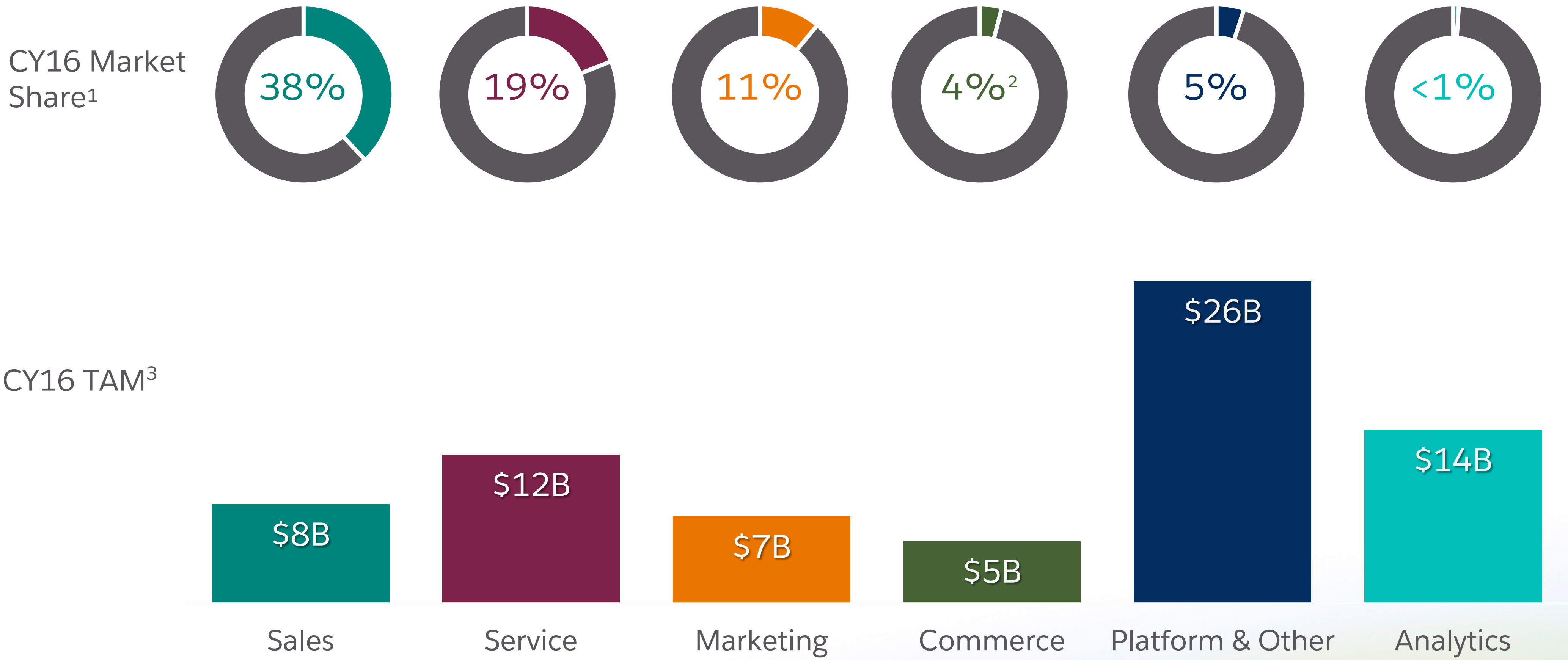


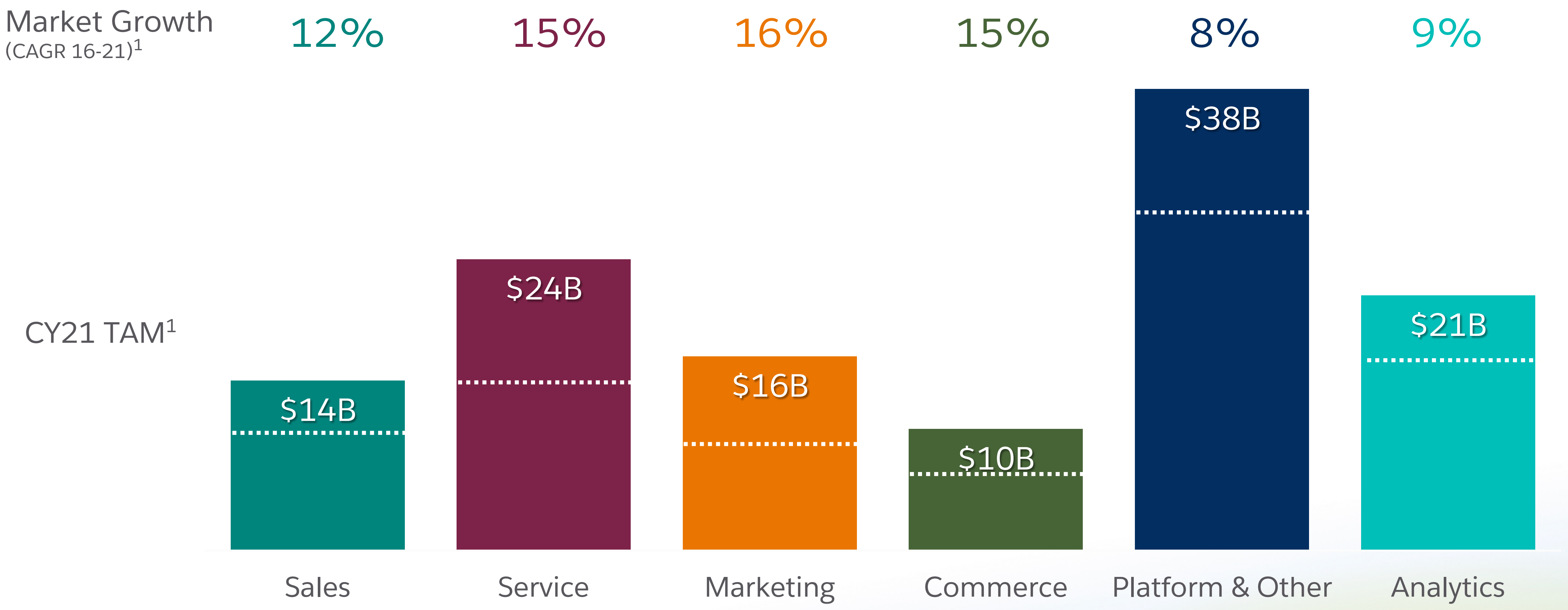
Chart created by Salesforce based on Gartner research. CRM and ERP is part of the Enterprise Application Software market. DBMS and O/S is part of the Infrastructure Software market.
Source: Gartner, Forecast: Enterprise Software Markets, Worldwide, 2014-2021, 4Q17 Update, 12.15.17

$72 Billion Market Opportunity Today…



Calculations performed by Salesforce and graphics created by Salesforce based on Gartner research. [1]Source: Sales, Service, Marketing, and Commerce per Gartner, Market Share All Software Markets, Worldwide, 2016, 4.14.17. Platform & other and Analytics market share calculated by Salesforce using the definitions below. [2]Salesforce acquired Demandware on July 11, 2016. Market share includes Demandware's 2016 commerce contribution of $115.8M. [3]Source: Gartner Total Enterprise Software Revenue for All Software Segments and Regions, 2014-2021, 4Q17 Update, 12.15.17. Platform & Other market defined as Application Platform Software, Application Platform Software as a Service (aPaaS), Other AD, Data Integration Tools, Business Process Management Suites, Identity Governance and Administration, Mobile Application Development Platforms, Testing, Full Life Cycle API Management, Web Access Management. Analytics market defined as Modern BI Platforms, Traditional BI Platforms, Data Science Platforms, Analytic Applications.

...Growing to $123B in 2021



Calculations performed by Salesforce and graphics created by Salesforce based on Gartner research. [1]Source: Gartner Total Enterprise Software Revenue for All Software Segments and Regions, 2014-2021, 4Q17 Update, 12.15.17. Platform & Other market defined as Application Platform Software, Application Platform Software as a Service (aPaaS), Other AD, Data Integration Tools, Business Process Management Suites, Identity Governance and Administration, Mobile Application Development Platforms, Testing, Full Life Cycle API Management, Web Access Management. Analytics market defined as Modern BI Platforms, Traditional BI Platforms, Data Science Platforms, Analytic Applications. Note: data has been updated to reflect Gartner's forecast as of December 2017 and therefore are different from what was presented at Salesforce's Investor Day on November 7, 2017.

The Only Complete Cloud CRM Platform

No other company is better positioned to drive digital transformation

COMMUNITIES
Customer, partner, and employee experiences

SERVICE
Drive service transformations

SALES
Transform sales from lead to cash to loyalty

COMMERCE
Intelligent, unified shopper experiences across any channel

COLLABORATION
Quip team collaboration platform

MARKETING
Deliver personalized consumer engagement at scale

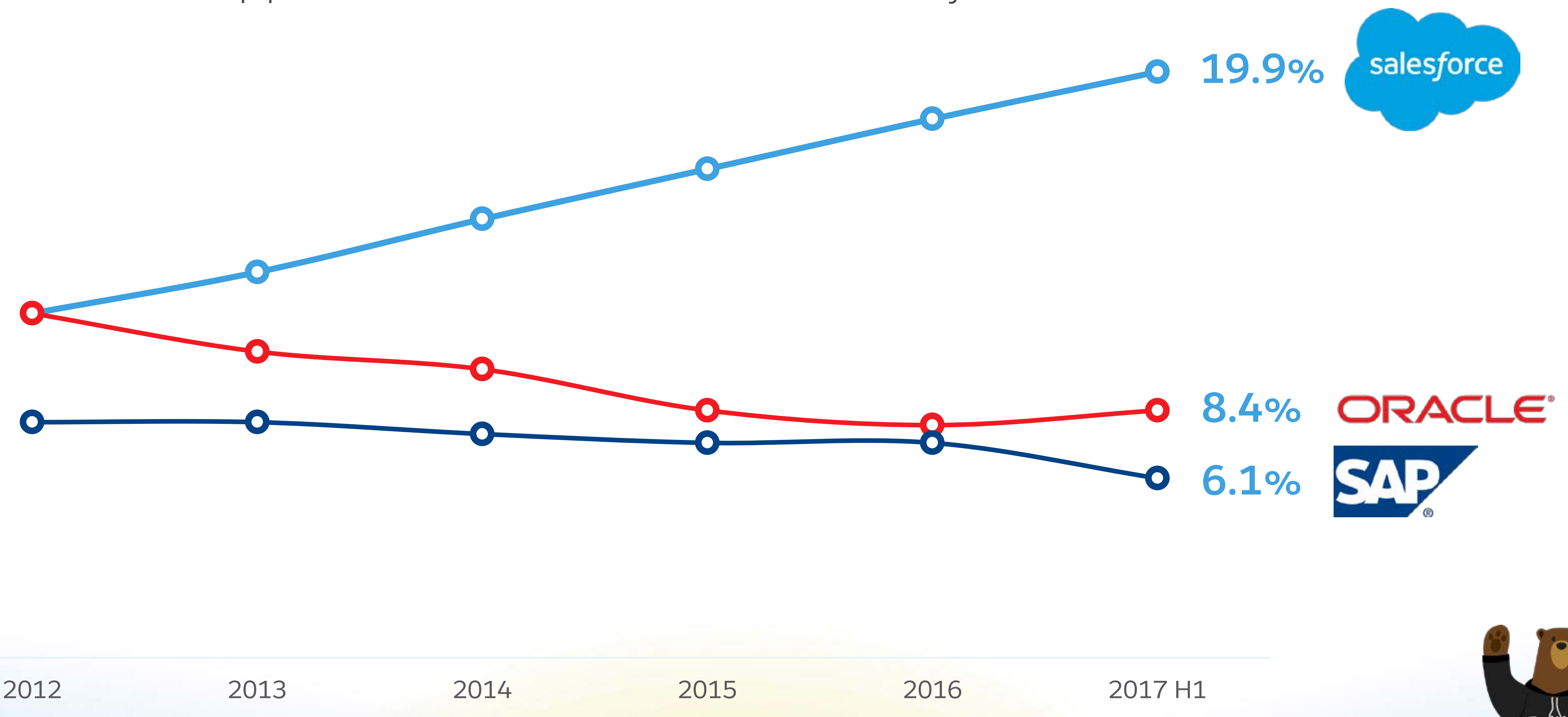
INDUSTRIES
World's #1 CRM reimagined for your industry

TRAILHEAD | EINSTEIN | LIGHTNING | IOT | HEROKU | ANALYTICS | APPEXCHANGE

SALESFORCE PLATFORM

Salesforce. #1 in CRM

Worldwide CRM applications 2017H1 market share by IDC



Source: IDC Worldwide Semiannual Software Tracker, October 2017.

Traction in Target Industries

Industry leaders rely on Salesforce

Financial Services	HLS	Retail	Travel, Transport & Hospitality
18 OF 20 Top U.S. & European Banks[1]	**16 OF 20** Top Global Pharmaceutical Companies	**11 OF 20** Top Global Retailers	**7 OF 10** Top Hospitality Companies

Manufacturing	Communications & Media	Consumer Goods	High Tech
8 OF 10 Top Discrete Manufacturers	**8 OF 10** Top Global Telecom Companies	**11 OF 15** Top CPG Companies	**12 OF 15** Top Tech Companies

[1]Represents top 10 U.S. banks and top 10 European banks.

The Salesforce Economy

Thriving ecosystem of customers, partners, and developers

salesforce

$859B

in GDP impact by 2020[1]

IDC

3.3M

Salesforce related jobs created by 2020[1]

IDC

2 of the Top 10

jobs in 2017 are Salesforce-specific

indeed

300K

job postings today with Salesforce related skills[3]

[1]IDC White Paper sponsored by Salesforce, The Salesforce Economy Forecast: 3.3 Million New Jobs, $859 Billion New Business Revenues to Be Created from 2016 to 2022, October 2017. [2]Indeed, Mar 2017 [3]Burning Glass Report, "Salesforce Skills Demand", Aug 2016

Global Events and Ad Campaign

Extending our brand presence globally

World Tour & Events

Sydney
March 6

TrailheaDX
March 28 - 29

Washington D.C.
April 4

Boston
April 5

Amsterdam
April 12

New York
April 26

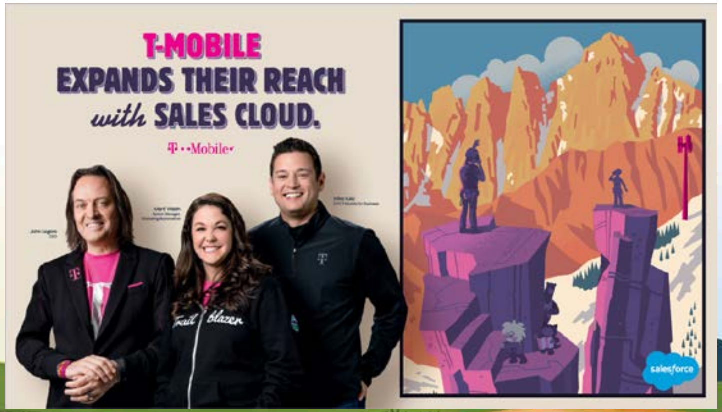
Toronto
May 3

London
May 17

Paris
June 6

Dreamforce
Sept. 25 - 28

Ad Campaign




thank you
TRAILHEAD
Trail blazer
E=mc²
MOUNTAINEER
EXPLORER
ADVENTURER
RANGER

Appendix

Seasonality of Financial Metrics

Deferred Revenue and Operating Cash Flow

Seasonal Nature of Deferred Revenue and Operating Cash Flow

Quarterly metric seasonality evolving

- Deferred revenue primarily consists of billings to customers for our subscription service and we generally invoice our customers in annual cycles.

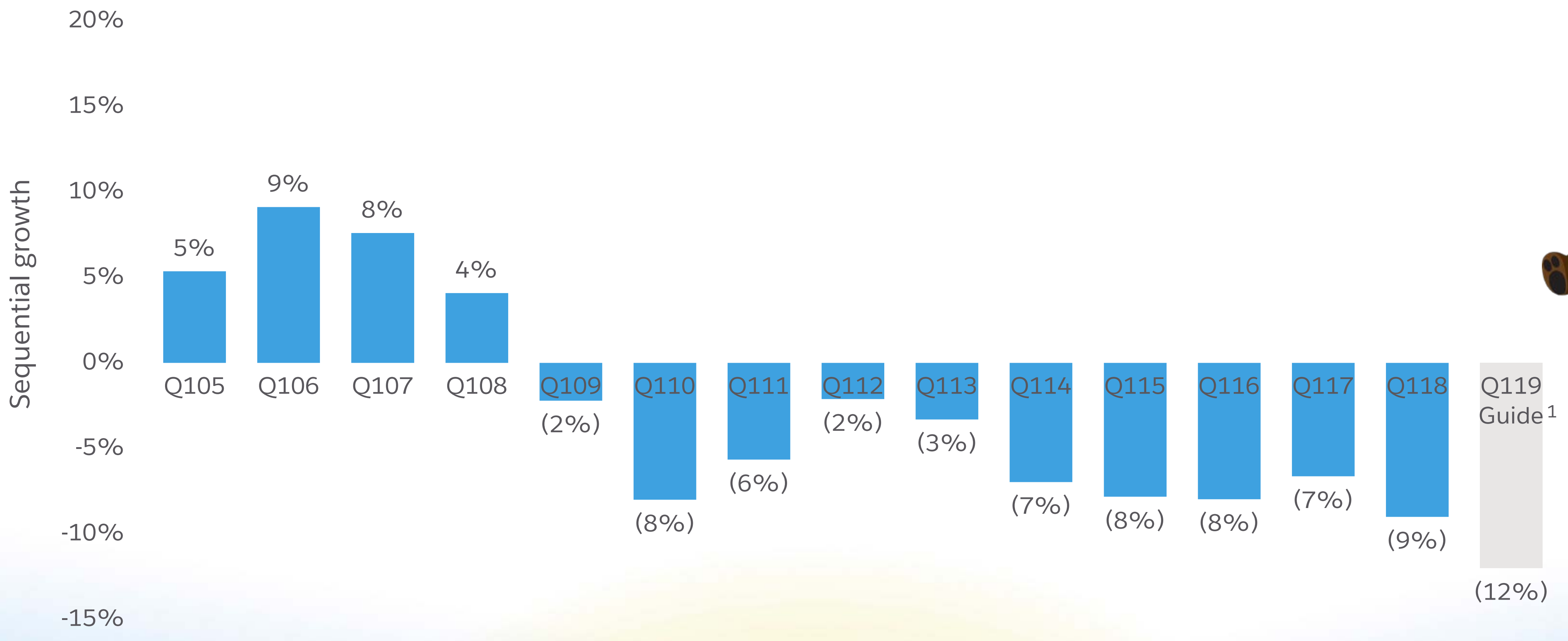
- We typically issue renewal invoices in advance of the renewal service period, and depending on timing, the initial invoice for the subscription and services contract and the subsequent renewal invoice may occur in different quarters. This may result in an increase in deferred revenue.

- There is a disproportionate weighting towards annual billings in the fourth quarter, primarily as a result of large enterprise account buying patterns. Our fourth quarter has historically been our strongest quarter for new business and renewals. The year on year compounding effect of this seasonality in both billing patterns and overall new and renewal business causes the value of invoices that we generate in the fourth quarter for both new business and renewals to increase as a proportion of our total annual billings.

- Given the year on year compounding effect of this seasonality, the quarterly sequential changes in Deferred Revenue and Operating Cash Flow have historically become more pronounced.
  - As it relates to Deferred Revenue, the sequential change from our third quarter to our fourth quarter has historically increased. The sequential change in our first three quarters has historically decreased.
  - As it relates to Operating Cash Flow, our first quarter and, increasingly, our fourth quarter are our largest collections and operating cash flow quarters. Our second quarter and third quarter are seasonally smaller in regards to collections and operating cash flow.

Q1 Deferred Revenue Sequential Change

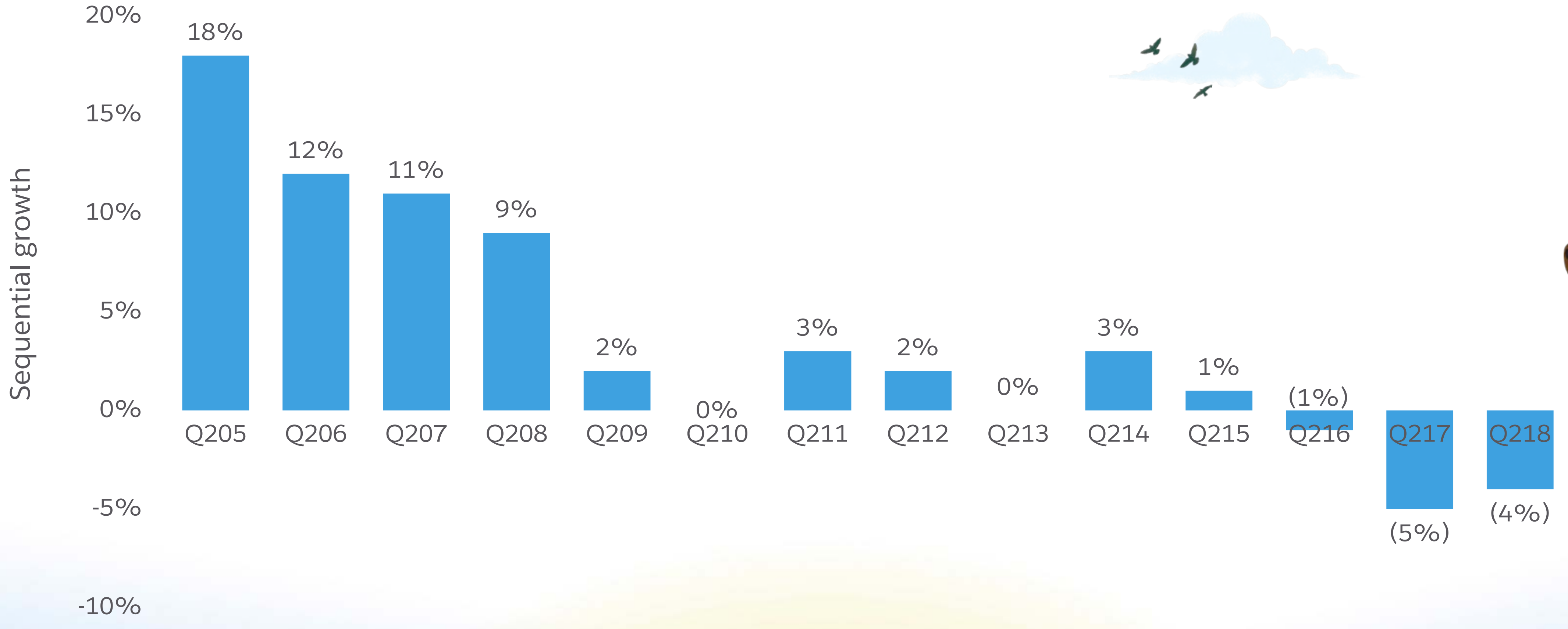
Q1 seasonality evolving



[1] Based on the mid-point of the guidance provided on February 28, 2017.

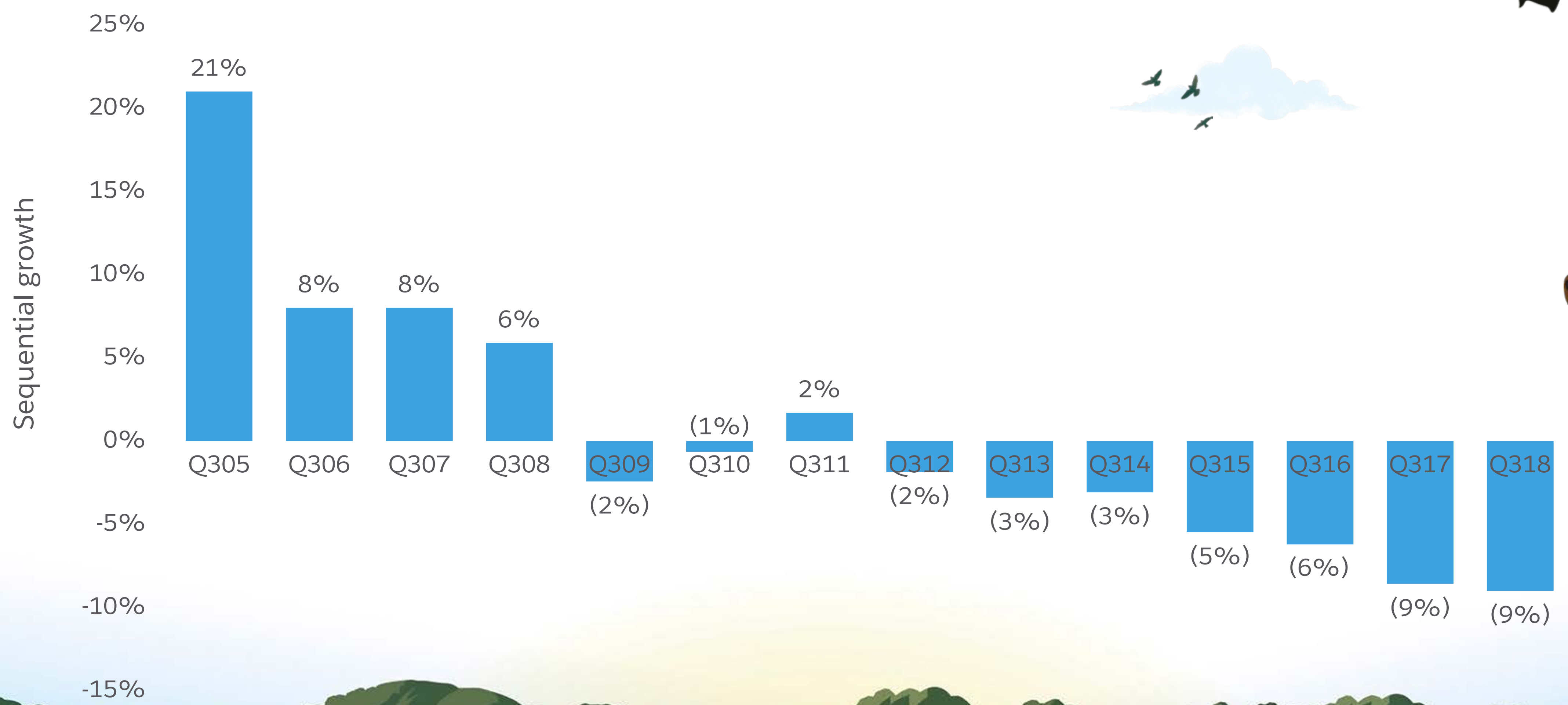
Q2 Deferred Revenue Sequential Change

Q2 seasonality evolving



Q3 Deferred Revenue Sequential Change

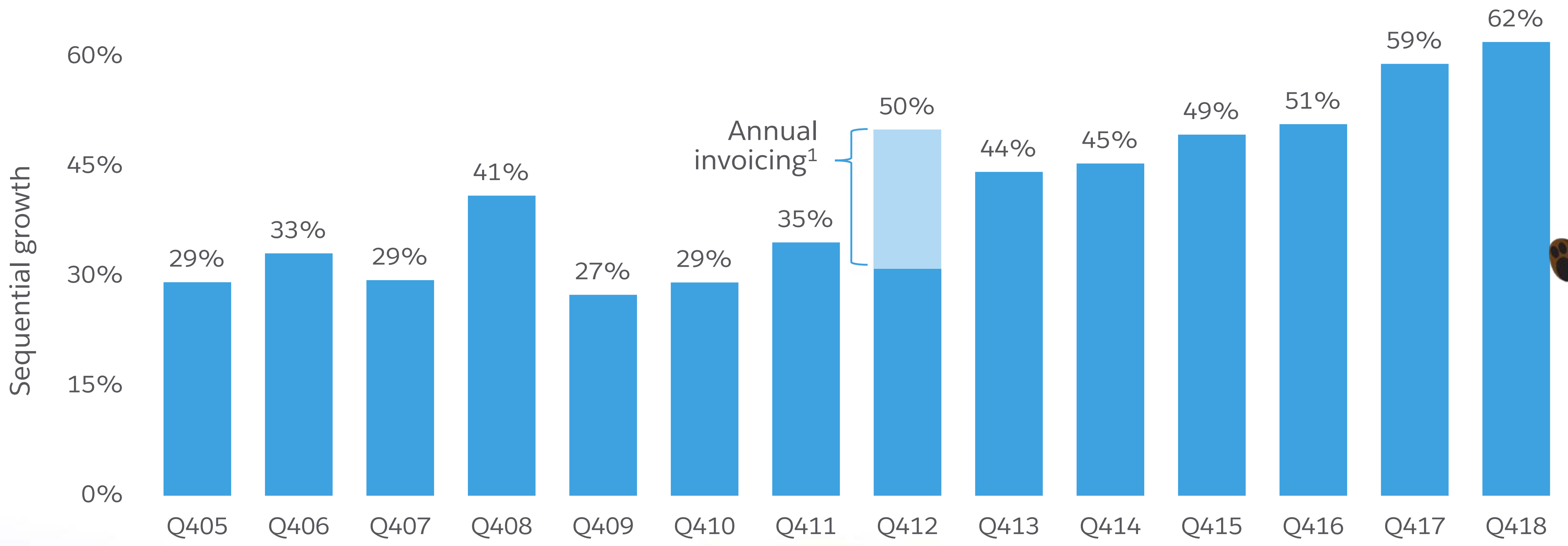
Q3 seasonality evolving



salesforce

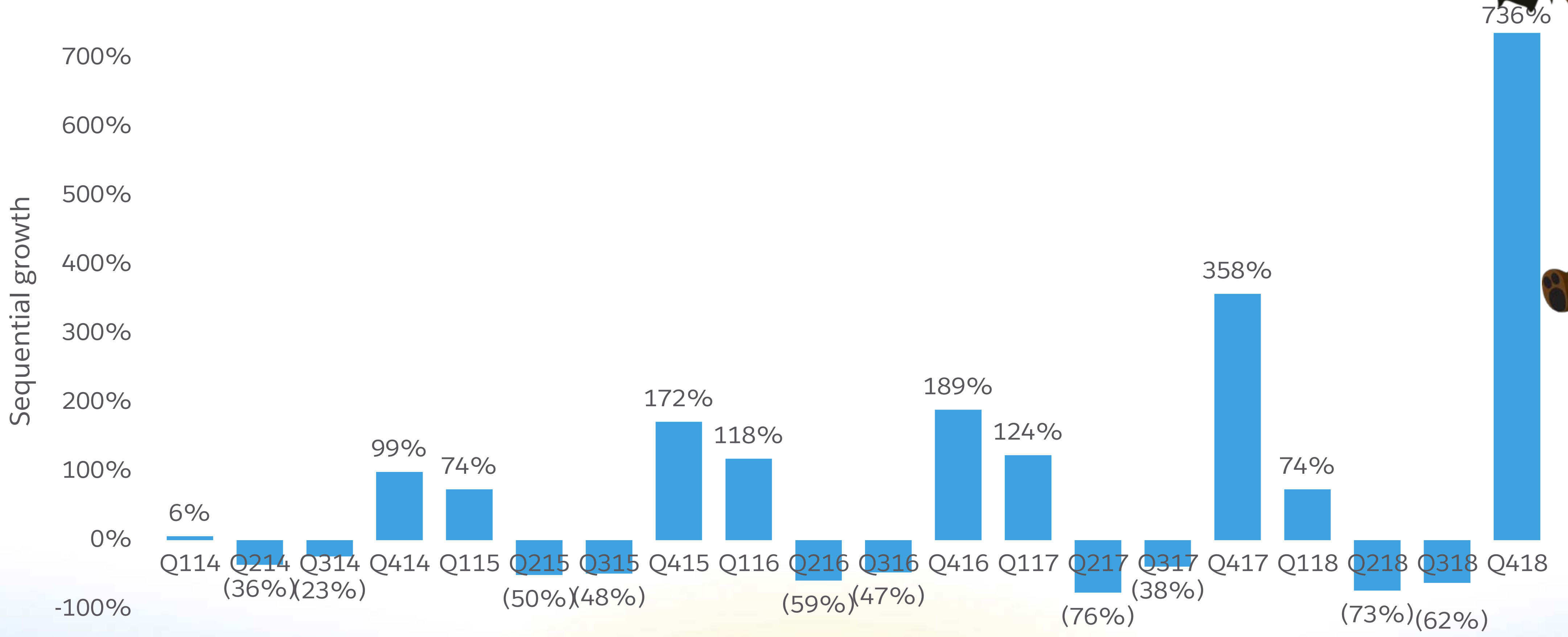
Q4 Deferred Revenue Sequential Change

Q4 seasonality evolving



Operating Cash Flow Sequential Change

OCF seasonality evolving



Non-GAAP Financial Measures

This presentation includes information about non-GAAP diluted earnings per share, non-GAAP income from operations, non-GAAP free cash flow, and constant currency revenue and constant currency deferred revenue growth rates (collectively the "non-GAAP financial measures"). These non-GAAP financial measures are measurements of financial performance that are not prepared in accordance with U.S. generally accepted accounting principles and computational methods may differ from those used by other companies. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP. Management uses both GAAP and non-GAAP measures when planning, monitoring, and evaluating the company's performance.

The primary purpose of using non-GAAP measures is to provide supplemental information that may prove useful to investors and to enable investors to evaluate the company's results in the same way management does. Management believes that supplementing GAAP disclosure with non-GAAP disclosure provides investors with a more complete view of the company's operational performance and allows for meaningful period-to-period comparisons and analysis of trends in the company's business. Further, to the extent that other companies use similar methods in calculating non-GAAP measures, the provision of supplemental non-GAAP information can allow for a comparison of the company's relative performance against other companies that also report non-GAAP operating results.

Non-GAAP diluted earnings per share excludes, to the extent applicable, the impact of the following items: stock-based compensation, amortization of acquisition-related intangibles, amortization of acquired leases, the net amortization of debt discount on the company's convertible senior notes, gains/losses on conversions of the company's convertible senior notes, gains/losses on sales of land and building improvements, gains/losses on company-initiated acquisitions of entities in which the company held an equity investment, and termination of office leases, as well as income tax adjustments. These items are excluded because the decisions that give rise to them are not made to increase revenue in a particular period, but instead for the company's long-term benefit over multiple periods.

Non-GAAP income from operations excludes the impact of the following items: stock-based compensation, amortization of acquisition-related intangibles, and termination of office leases.

The company defines the non-GAAP measure free cash flow as GAAP net cash provided by operating activities, less capital expenditures. For this purpose, capital expenditures does not include our strategic investments, nor does it include any costs or activities related to our purchase of 50 Fremont land and building, and building - leased facilities.

Constant currency information is provided as a framework for assessing how our underlying business performed excluding the effect of foreign currency rate fluctuations. To present constant currency revenue, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the weighted average exchange rate for the quarter being compared to for growth rate calculations presented, rather than the actual exchange rates in effect during that period. To present deferred revenue on a constant currency basis, we convert the deferred revenue balances in local currencies in previous comparable periods using the United States dollar currency exchange rate as of the most recent balance sheet date.

GAAP to Non-GAAP Financial Reconciliation

Annual Results

(in thousands)	Fiscal Year Ended January 31,			
Non-GAAP income from operations	**2018**	**2017**	**2016**	**2015**
GAAP income (loss) from operations	$ 235,768	$ 64,228	$ 114,923	$ (145,633)
Plus:				
Amortization of purchased intangibles	286,885	225,277	158,070	154,973
Stock-based expense	997,013	820,367	593,628	564,765
Less:				
Operating lease termination resulting from purchase of 50 Fremont, net	0	0	(36,617)	0
Non-GAAP income from operations	$ 1,519,666	$ 1,109,872	$ 830,004	$ 574,105

	Fiscal Year Ended January 31,	
Non-GAAP diluted earnings per share	**2018**	**2017**
GAAP diluted net income (loss) per share	$ 0.17	$ 0.26
Plus:		
Amortization of purchased intangibles	0.39	0.32
Amortization of acquired lease intangible	0.00	0.00
Stock-based expense	1.36	1.17
Amortization of debt discount, net	0.04	0.04
Less:		
Gains from acquisitions of strategic investments	0.00	(0.02)
Income tax effects and adjustments	(0.61)	(0.76)
Non-GAAP diluted earnings per share	$ 1.35	$ 1.01
Shares used in computing Non-GAAP diluted net income per share	734,598	700,217

GAAP to Non-GAAP Financial Reconciliation

Quarterly Results

(in thousands)	Three Months Ended January 31,			
Non-GAAP income from operations	**2018**	**2017**	**2016**	**2015**
GAAP income (loss) from operations	$ 77,869	$ (23,345)	$ 20,560	$ (34,816)
Plus:				
Amortization of purchased intangibles	68,932	74,214	39,250	39,971
Stock-based expense	237,682	244,387	158,972	151,802
Non-GAAP income from operations	$ 384,483	$ 295,256	$ 218,782	$ 156,957

	Three Months Ended January 31,	
Non-GAAP diluted earnings per share	**2018**	**2017**
GAAP diluted net income (loss) per share	$ 0.09	$ (0.07)
Plus:		
Amortization of purchased intangibles	0.09	0.10
Amortization of acquired lease intangible	0.00	0.00
Stock-based expense	0.32	0.34
Amortization of debt discount, net	0.01	0.01
Less:		
Gains from acquisitions of strategic investments	0.00	0.00
Income tax effects and adjustments	(0.16)	(0.10)
Non-GAAP diluted earnings per share	$ 0.35	$ 0.28
Shares used in computing Non-GAAP diluted net income per share	749,464	711,203

(in thousands)	Three Months Ended January 31,			
Free cash flow analysis, a non-GAAP measure	**2018**	**2017**	**2016**	**2015**
Operating cash flow				
GAAP net cash provided by operating activities	$ 1,051,320	$ 706,146	$ 470,208	$ 336,506
Less:				
Capital expenditures	(137,759)	(143,974)	(68,495)	(85,354)
Free cash flow	$ 913,561	$ 562,172	$ 401,713	$ 251,152