



WELCOME TO

DREAM FORCE

Forward-Looking Statements



"Safe harbor" statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements about the company's financial and operating 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, expected revenue growth, expected current remaining performance obligation growth, expected tax rates, the one-time accounting non-cash charge that was incurred in connection with the Salesforce.org combination; stock-based compensation expenses, amortization of purchased intangibles, shares outstanding, market growth and sustainability goals. 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 geopolitical events; 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 seasonal nature of our sales cycles; the competitive nature of the market in which we participate; our international expansion strategy; the demands on our personnel and infrastructure resulting from significant growth in our customer base and operations, including as a result of acquisitions; our service performance and security, including the resources and costs required to avoid unanticipated downtime and 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, including any efforts to expand our services beyond the CRM market; 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, joint ventures and investments; the impact of future gains or losses from our strategic investment portfolio, including gains or losses from overall market conditions that may affect the publicly traded companies within the company's strategic investment portfolio; our ability to execute our business plans; our ability to successfully integrate acquired businesses and technologies, including delays related to the integration of Tableau due to regulatory review by the United Kingdom Competition and Markets Authority; our ability to continue to grow unearned revenue and remaining performance obligation; 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, cross-border data transfers and import and export controls; the valuation of our deferred tax assets and the release of related valuation allowances; the potential availability of additional tax assets in the future; the impact of new accounting pronouncements and tax laws; uncertainties affecting our ability to estimate our tax rate; the impact of expensing stock options and other equity awards; the sufficiency of our capital resources; factors related to our outstanding debt, revolving credit facility, term loan and loan associated with 50 Fremont; compliance with our debt covenants and 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 it makes 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.



Finance Review with Mark Hawkins

President and CFO



salesforce

The Growth Playbook: FY00-FY24

Dreamforce 2019

Sustaining Growth at Scale

Doubling the company again by FY24



salesforce



20 Years of Growth

TABLE OF CONTENTS

Chapter 1

Defining the Cloud Software Market

FY00 - FY10 11 yrs

Revenue
~\$1B

Chapter 2

Accelerating Growth

FY11 - FY18 8 yrs

~\$10B

Chapter 3

Solidifying our Leadership

FY19 - FY21 3 yrs

~\$20B₁

Chapter 4

Sustaining Growth at Scale

FY22 -FY24 3 yrs

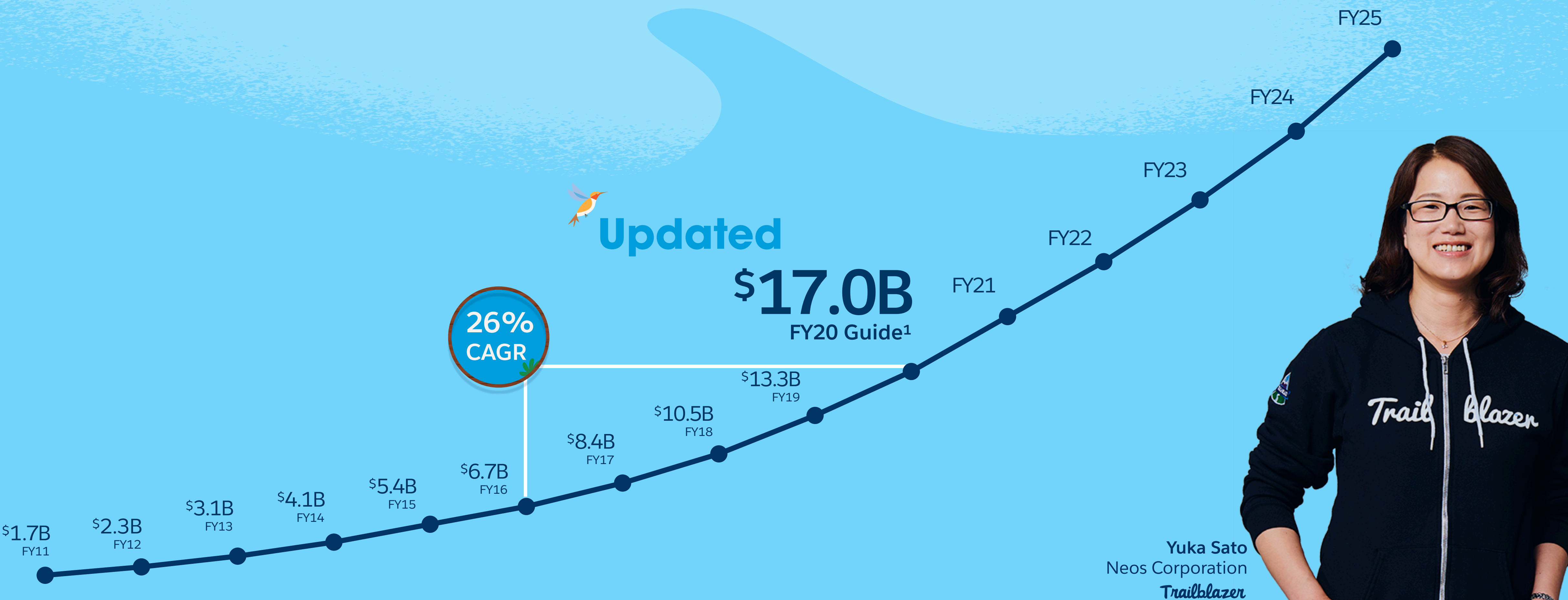
~\$35B₂

¹FY21: High end of FY21 revenue guide of \$20.8B to \$20.9B as of November 20, 2019. Guidance excludes future M&A.
²FY24: Long range target for FY24 high end of range \$34B to \$35B as of November 20, 2019. Guidance excludes future M&A.

Sustained Growth at Scale



Raising FY20 to \$16.99 to \$17.00 billion¹



¹FY20: High end of FY20 revenue guide of \$16.99B to \$17.00B as of November 20, 2019. FY21: High end of FY21 revenue guide of \$20.8B to \$20.9B as of November 20, 2019. FY24: Long range target for FY24 high end of range \$34B to \$35B as of November 20, 2019. Guidance excludes future M&A.

Sustained Growth at Scale

salesforce

Establishing FY21 guidance of \$20.8 to \$20.9 billion¹



¹FY20: High end of FY20 revenue guide of \$16.99B to \$17.00B as of November 20, 2019. FY21: High end of FY21 revenue guide of \$20.8B to \$20.9B as of November 20, 2019. FY24: Long range target for FY24 high end of range \$34B to \$35B as of November 20, 2019. Guidance excludes future M&A.

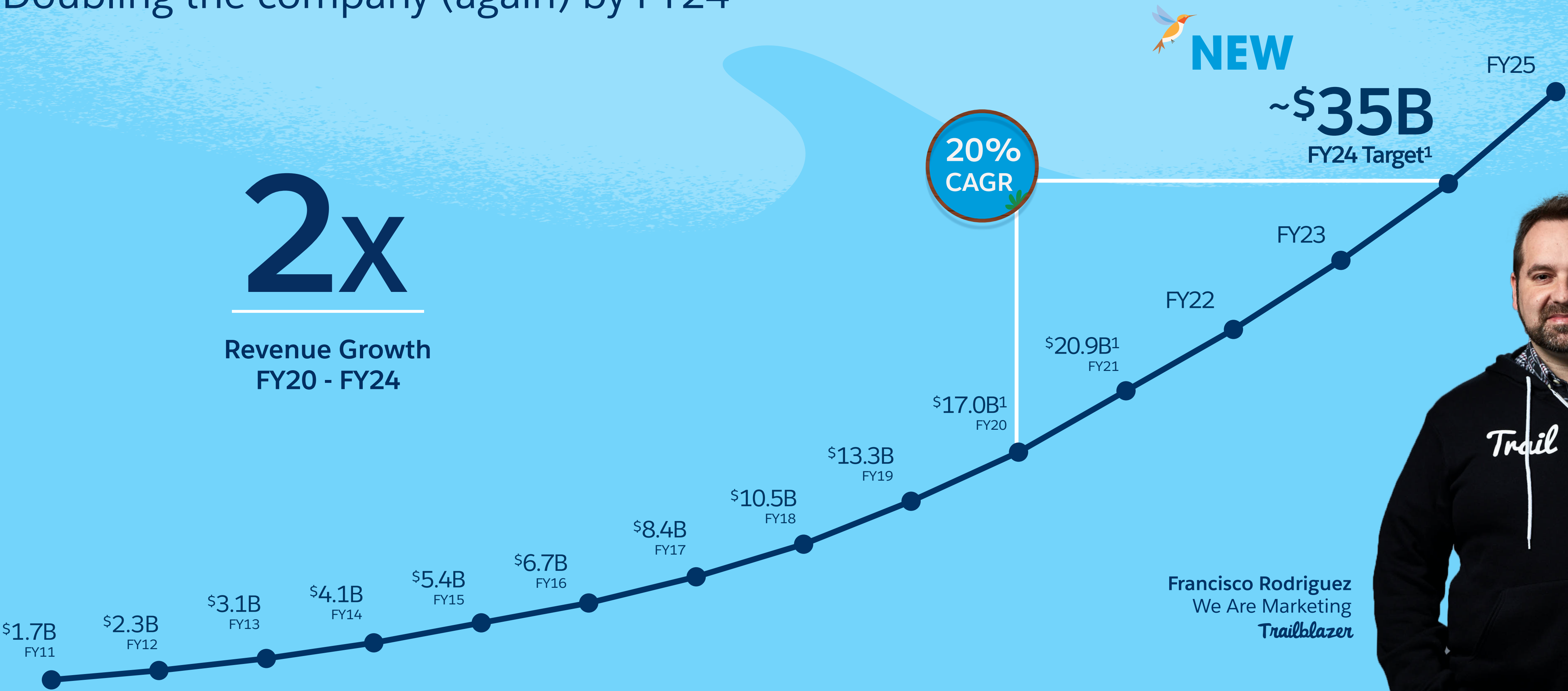
Sustained Growth at Scale

Doubling the company (again) by FY24



2x

Revenue Growth
FY20 - FY24



20%
CAGR

NEW

~\$35B
FY24 Target¹



Francisco Rodriguez
We Are Marketing
Trailblazer

¹FY20: High end of FY20 revenue guide of \$16.99B to \$17.00B as of November 20, 2019. FY21: High end of FY21 revenue guide of \$20.8B to \$20.9B as of November 20, 2019. FY24: Long range target for FY24 high end of range \$34B to \$35B as of November 20, 2019. Guidance excludes future M&A.

Values Drive Value

Doing well and doing good

salesforce



**Leader in
Innovation**

FAST COMPANY

Best Workplaces
for Innovators



**Leader in
Philanthropy**

People

#1 Company
that Cares



**Leader in
Culture**

Great
Place
To
Work.

World's Best
Workplace

FORTUNE
Future 50 Top 10

FORTUNE
100 Fastest Growing
Companies

LinkedIn
2019 Top
Companies

FORTUNE
Change the World

**SAN FRANCISCO
BUSINESS TIMES**
Top 75 Corporate
Philanthropists

FORTUNE
Best Companies
to Work For

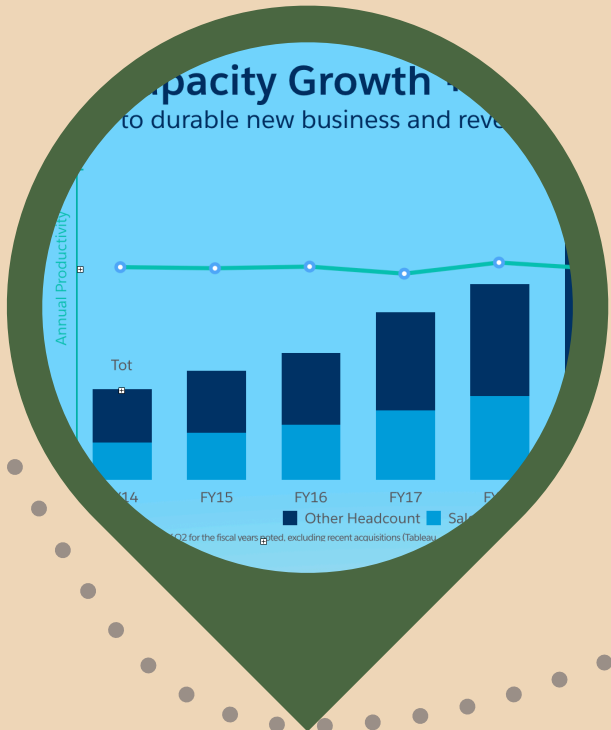
indeed
Top Companies
to Work For



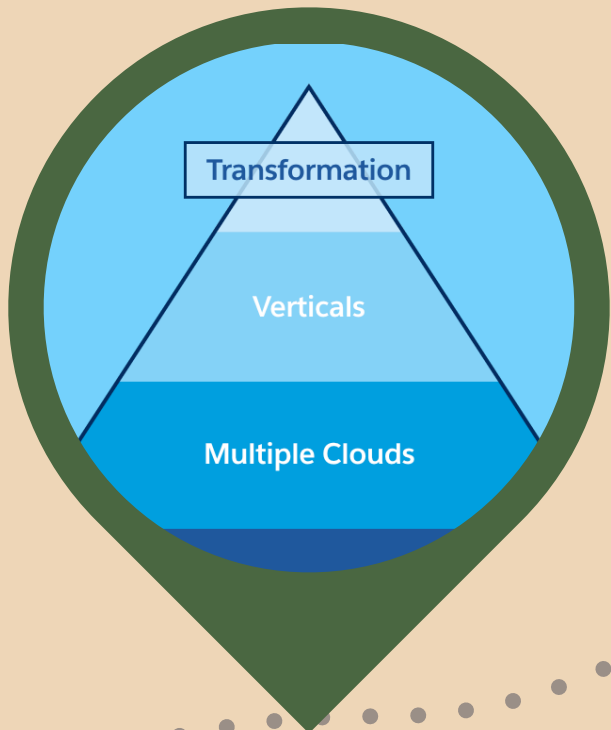
Today's Discussion



Markets
Secular Tailwinds



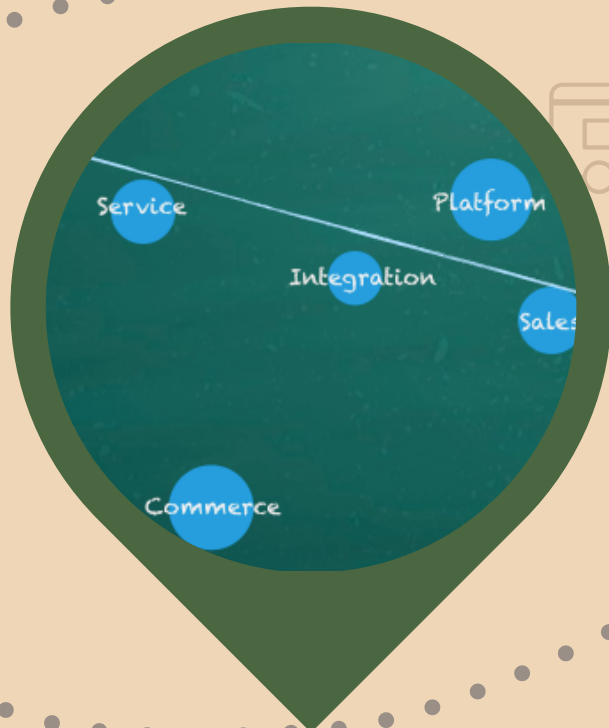
Drivers
Managing Growth



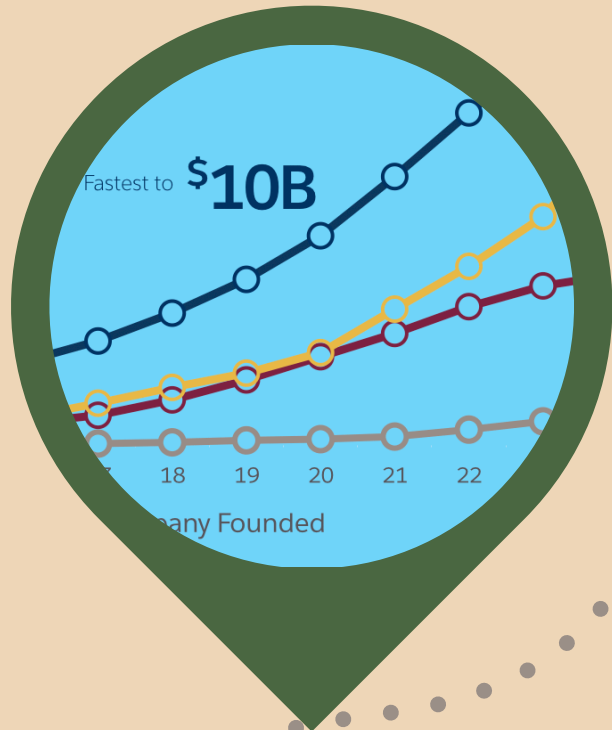
Strategies
Enterprise, Geos and Industries



Innovation
Organic and Inorganic



Margins and Cash
Tradeoffs of Growth and Margin



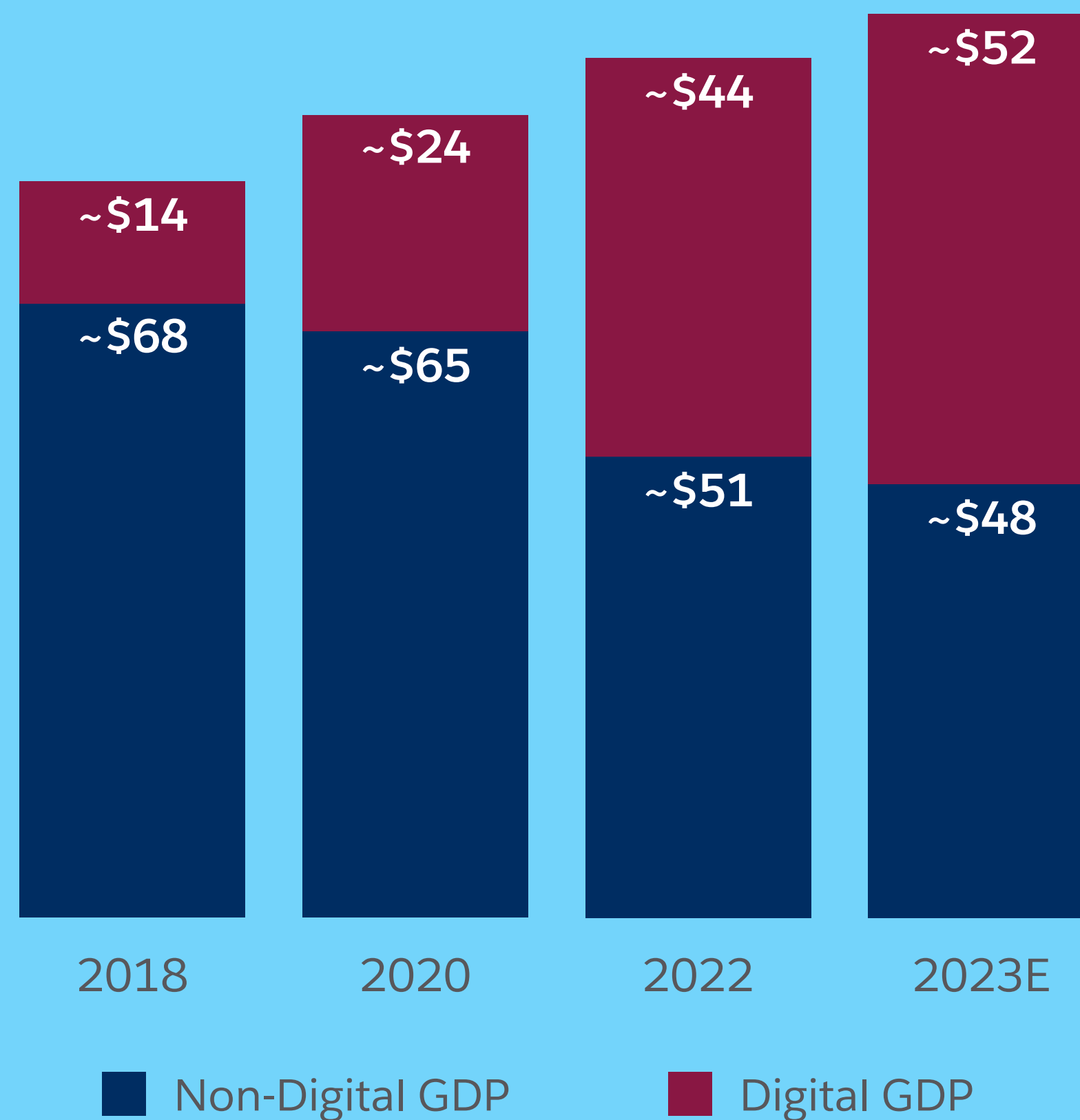
Wrap-Up

Secular Tailwind

Digital transformation is accelerating and capturing spend

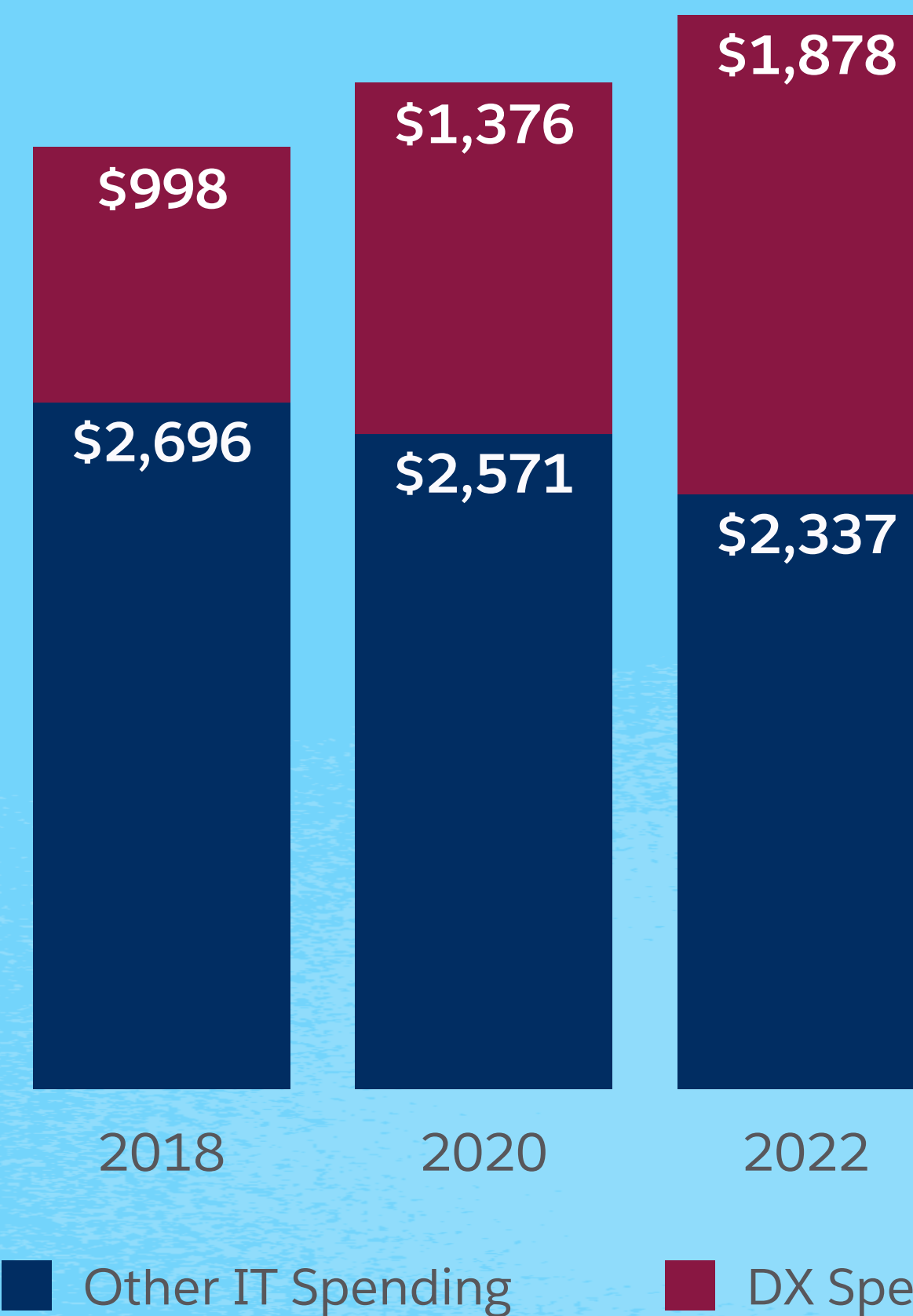
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Worldwide Nominal GDP Driven by Digitally Transformed vs Other Enterprises (\$T)



Source: IDC FutureScape: Worldwide IT Industry 2020 Predictions

Worldwide DX Spending vs Other (\$B)



Source: IDC Worldwide Semiannual Digital Transformation Spending Guide 2018H1.

History of First Mover Advantage

Setting the stage for future growth and innovation

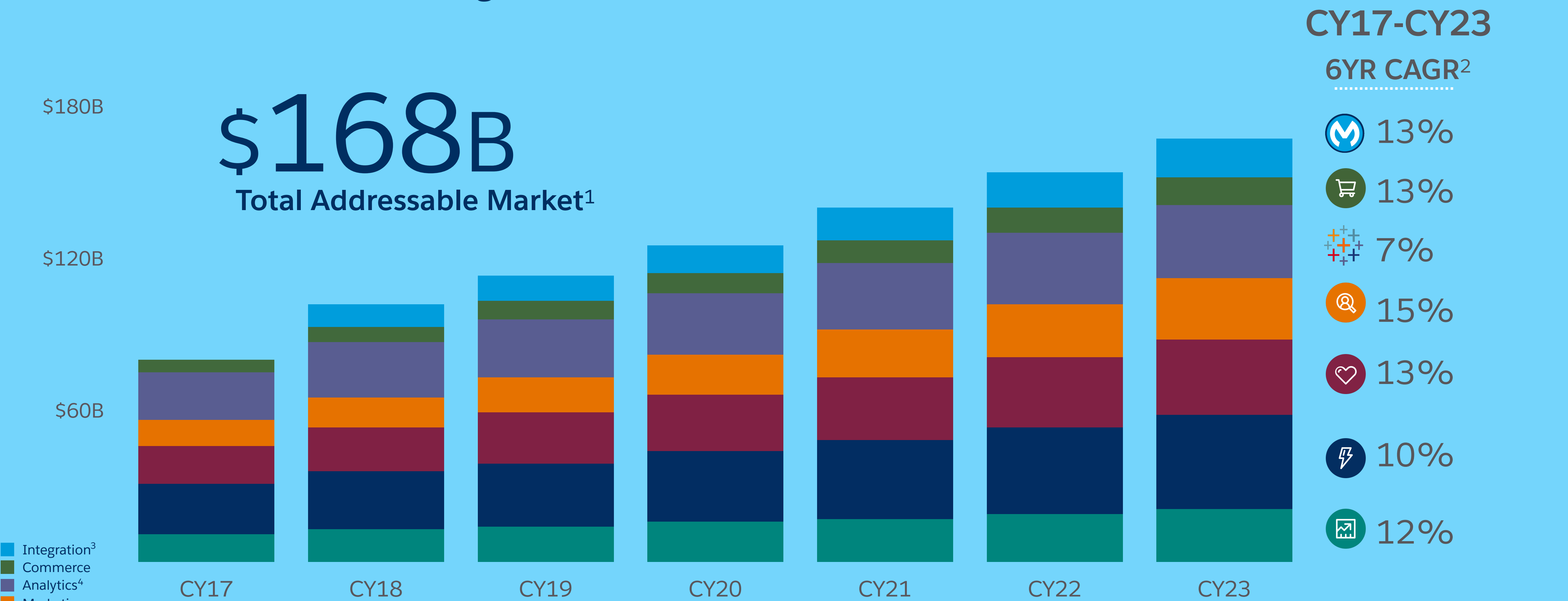


¹ Investments represent capital deployed for M&A

Large and Growing Addressable Markets



Total Addressable Market growth from CY17-CY23



Calculations performed by Salesforce and graphics created by Salesforce based on Gartner research.

1. Calculations for Analytics, Commerce, Marketing, Sales and Service are based on Gartner, Forecast: Enterprise Application Software, Worldwide, 2017-2023, 3Q19 Update, 17 Sep 2019. Calculations for Integration and Platform & Other are based on Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2017-2023, 3Q19 Update, 18 Sep 2019.

2. 6 Year CAGR performed based on total TAM inclusive of acquisitions not yet completed during CY17. The CY17 TAM presented on a chart does not include Integration as acquisition of the company offering those capabilities was completed in CY18

3. Integration market defined as Full Life Cycle API Management, Integration Platform as a Service (iPaaS), Application Integration Suite, Data Integration Tools.

4. Analytics defined as Modern BI Platforms, Traditional BI Platforms, Analytic Applications, Data Science Platforms, Location Intelligence.

5. Platform & Other defined as High Productivity aPaaS, High Control aPaaS, Application Platform Software, Business Process Management Suites, Portal and Digital Engagement Technologies, Create, Verify.

Put Your Customer at the Center of Your Business

Trusted · Smart · Flexible · Sustainable

salesforce

25%
average increase
in revenue

30%
higher customer
satisfaction

30%
higher
marketing ROI

26%
decrease in
IT costs

57%
faster app
development

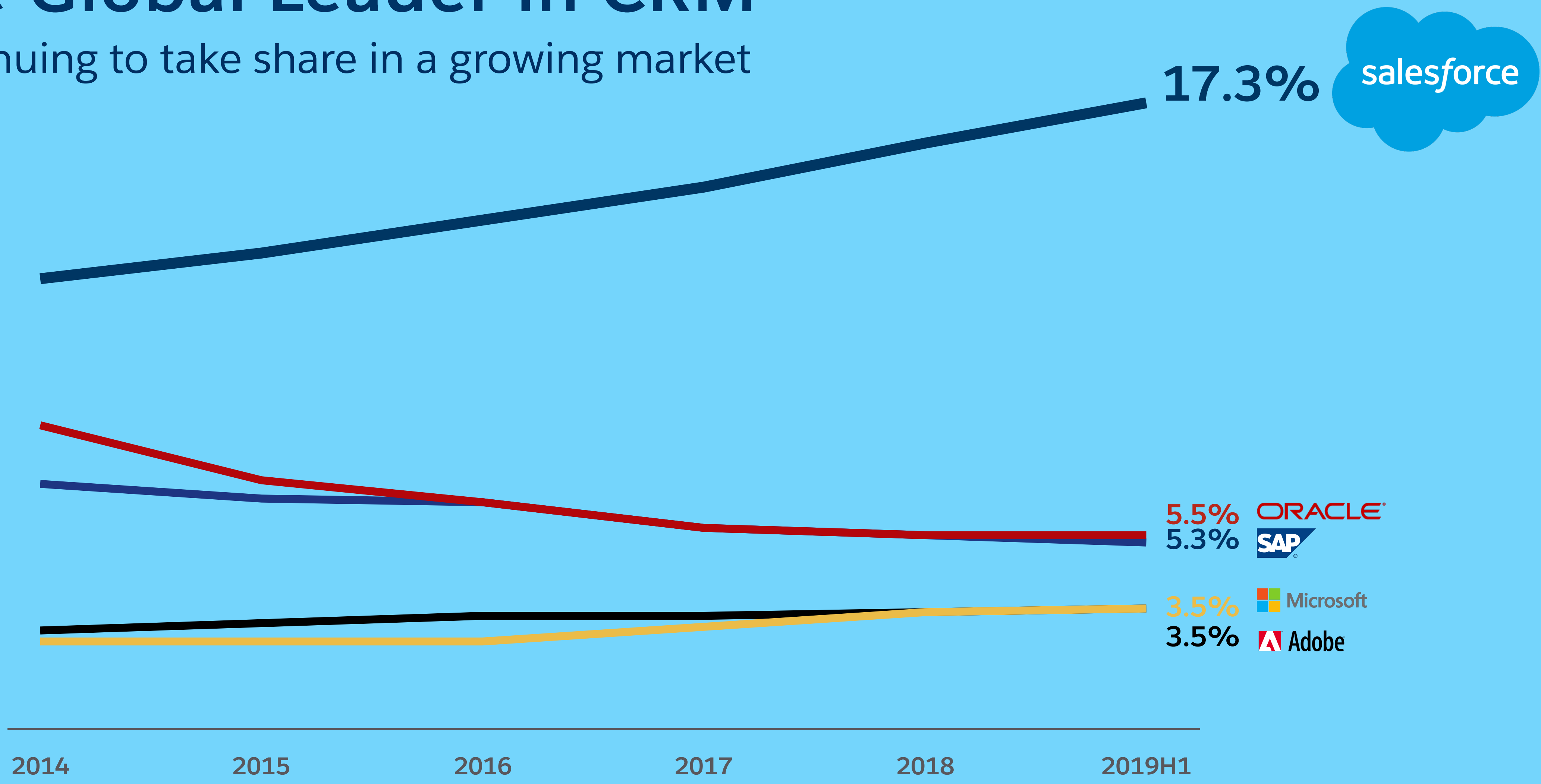
70%
increased
productivity



Average percentage improvements reported by Salesforce customers.
Source: Salesforce Customer Success Survey conducted from 2017-2019.

The Global Leader in CRM

Continuing to take share in a growing market



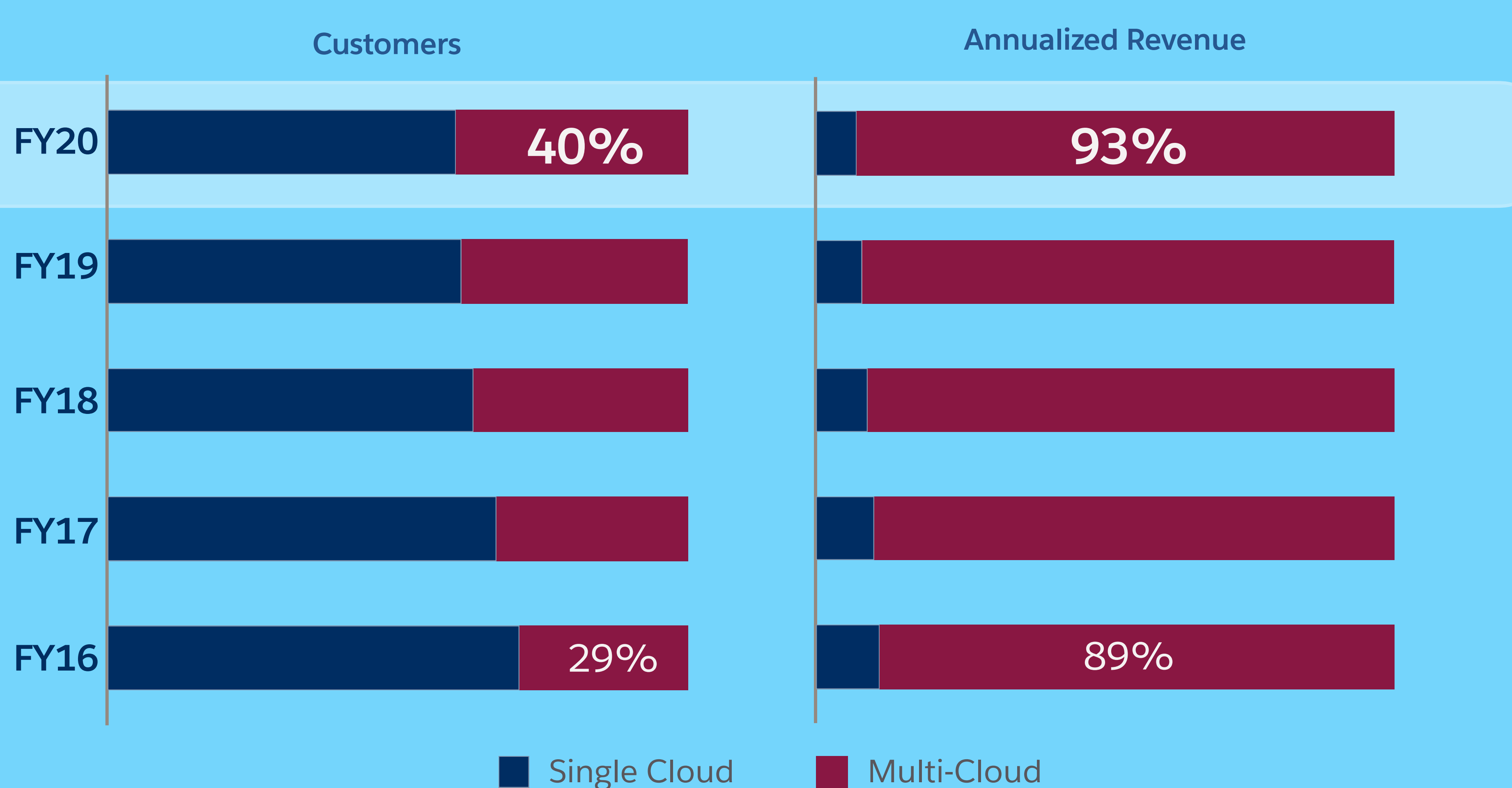
Ranked #1 for CRM Applications based on IDC 2019H1 Revenue Market Share Worldwide.

Source: IDC, Worldwide Semiannual Software Tracker, October 2019. CRM market includes the following IDC-defined functional markets: Sales Force Productivity and Management, Marketing Campaign Management, Customer Service, Contact Center, Advertising, and Digital Commerce Applications.

Multi Cloud Customers Expanding

Significant opportunity to expand multi cloud adoption

salesforce



Average Spend

> 20x

multi-cloud
customers vs
single cloud in
FY20

Note: Data is as of July 31st of the Fiscal Years Noted. For FY20 data excludes counts from recent acquisitions, including Tableau

Opportunity at the Top

Room to expand multi cloud adoption across our largest customers

salesforce

Top 25 Customers by Cloud

Potential to expand our largest customers to 3+ Clouds

	Sales 	Service 	Platform 	Marketing 	Commerce 	Integration 
Adoption						
6 Cloud	0	0	0	0	0	0
5 Clouds	1	1	1	1	0	1
4 Clouds	3	4	4	4	0	1
3 Clouds	2	4	4	1	1	3
2 Clouds	4	6	8	3	3	4
1 Clouds	15	10	8	16	21	16

1 customer within the Top 25 of Sales Cloud is a top customer in 5 clouds

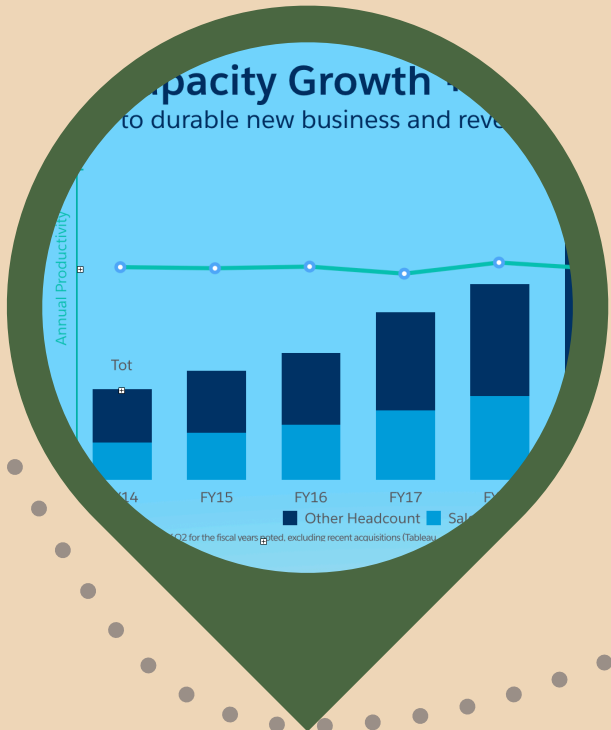
6 customers within the Top 25 of Service Cloud are top customers in 2 clouds

Note: Top 25 customers by annualized revenue by each Cloud as of July 31, 2019. 111 unique customers identified out of the potential of 150 (6*25).

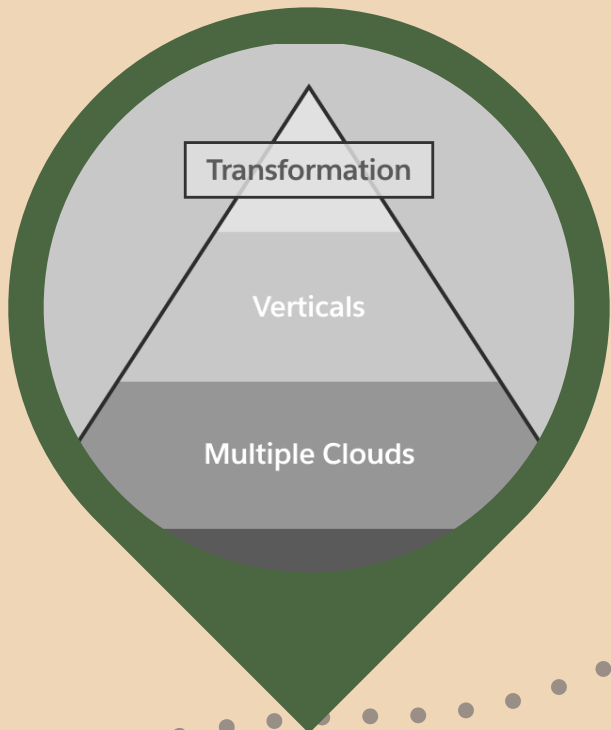
Drivers of Growth



Markets
Secular Tailwinds



Drivers
Managing Growth



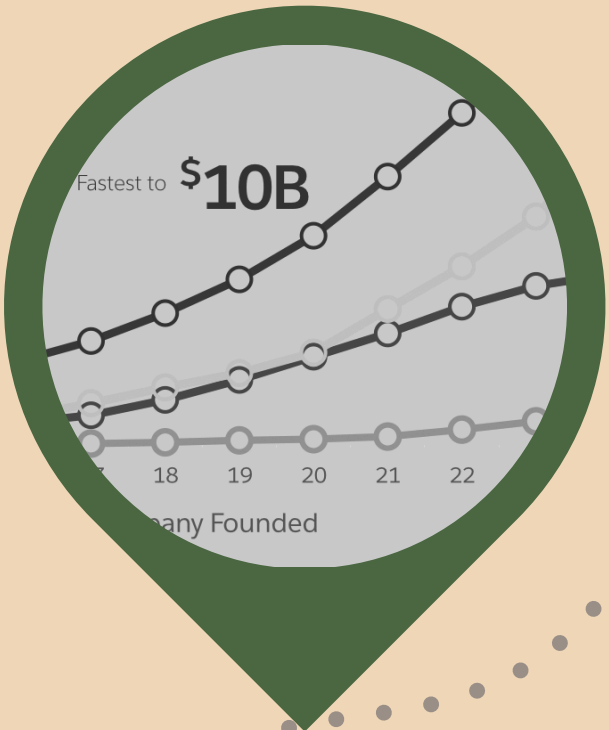
Strategies
Enterprise, Geos and Industries



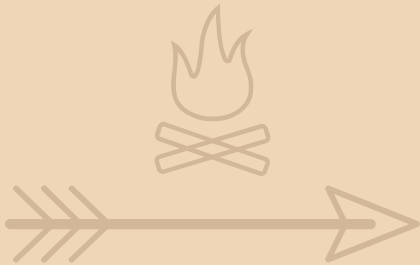
Innovation
Organic and Inorganic



Margins and Cash
Tradeoffs of Growth and Margin

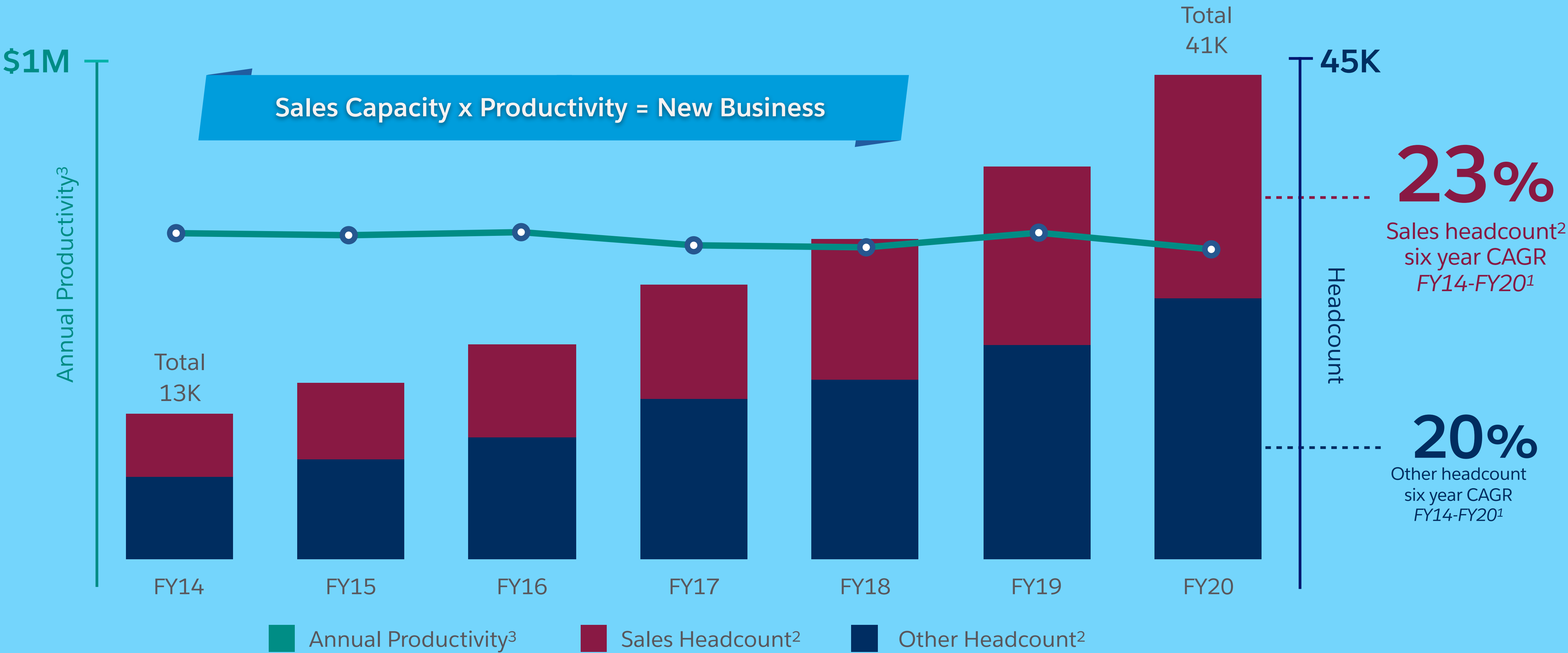


Wrap-Up



Sales Capacity Sustains Growth

Capacity triples since FY14

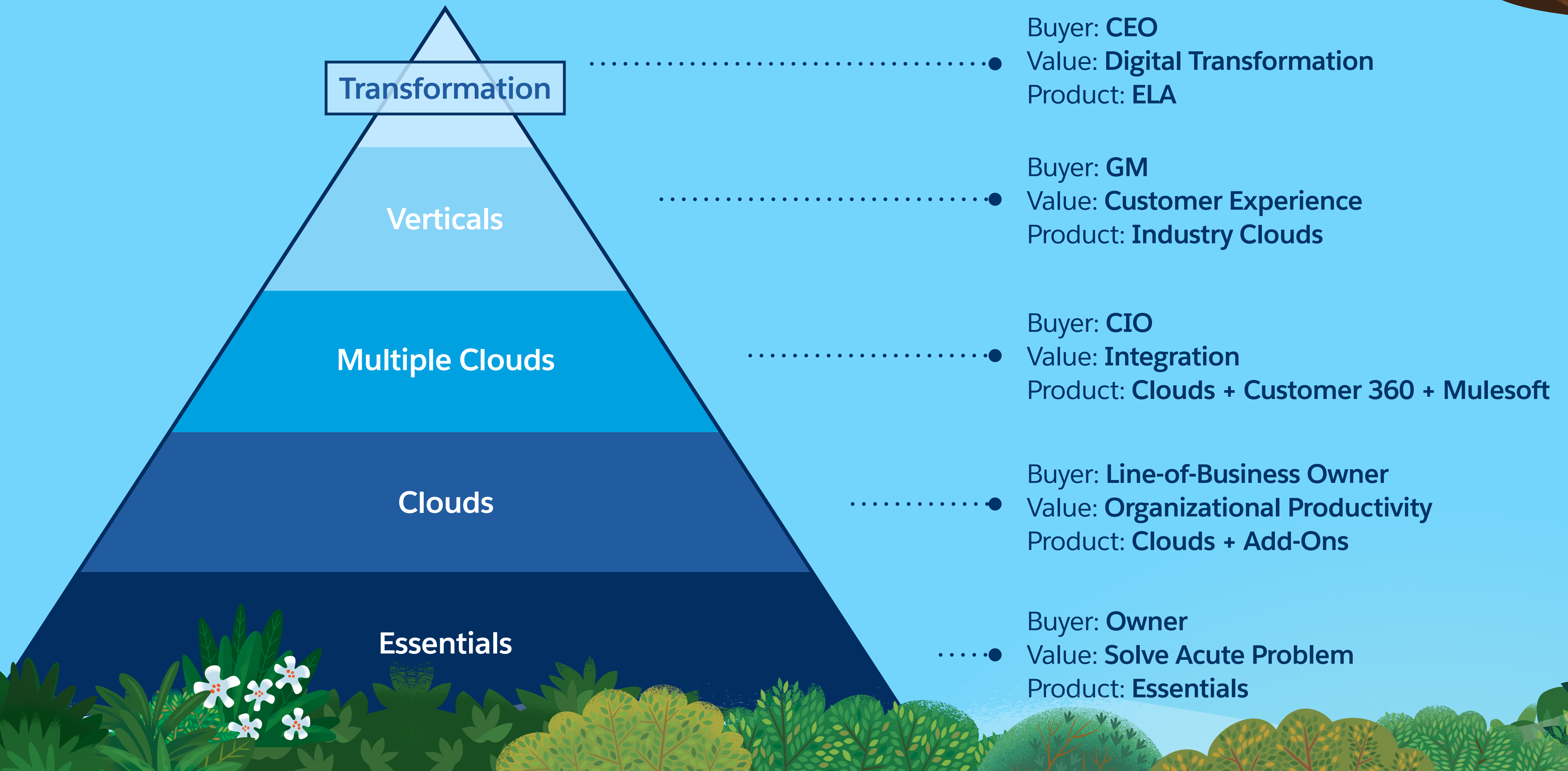


¹Headcount growth as of Q2 for the fiscal years noted, excluding recent acquisitions (Tableau, ClickSoftware)
²Sales Headcount includes all functional sales roles. Other Headcount includes total company headcount, excluding recent acquisitions (Tableau, Click Software), less Sales Headcount
³Productivity represents trailing twelve months incremental annualized revenue divided by trailing twelve months average quota carrying sales capacity headcount. All years TTM as of Q2 in fiscal year shown. Sales Capacity headcount is defined as quota-carrying account executive roles only.

Customer Focused Coverage Model

Effective sales deployment sustains growth

salesforce



Land and Expand

Proven strategy over 20 years

Incremental Annualized Revenue



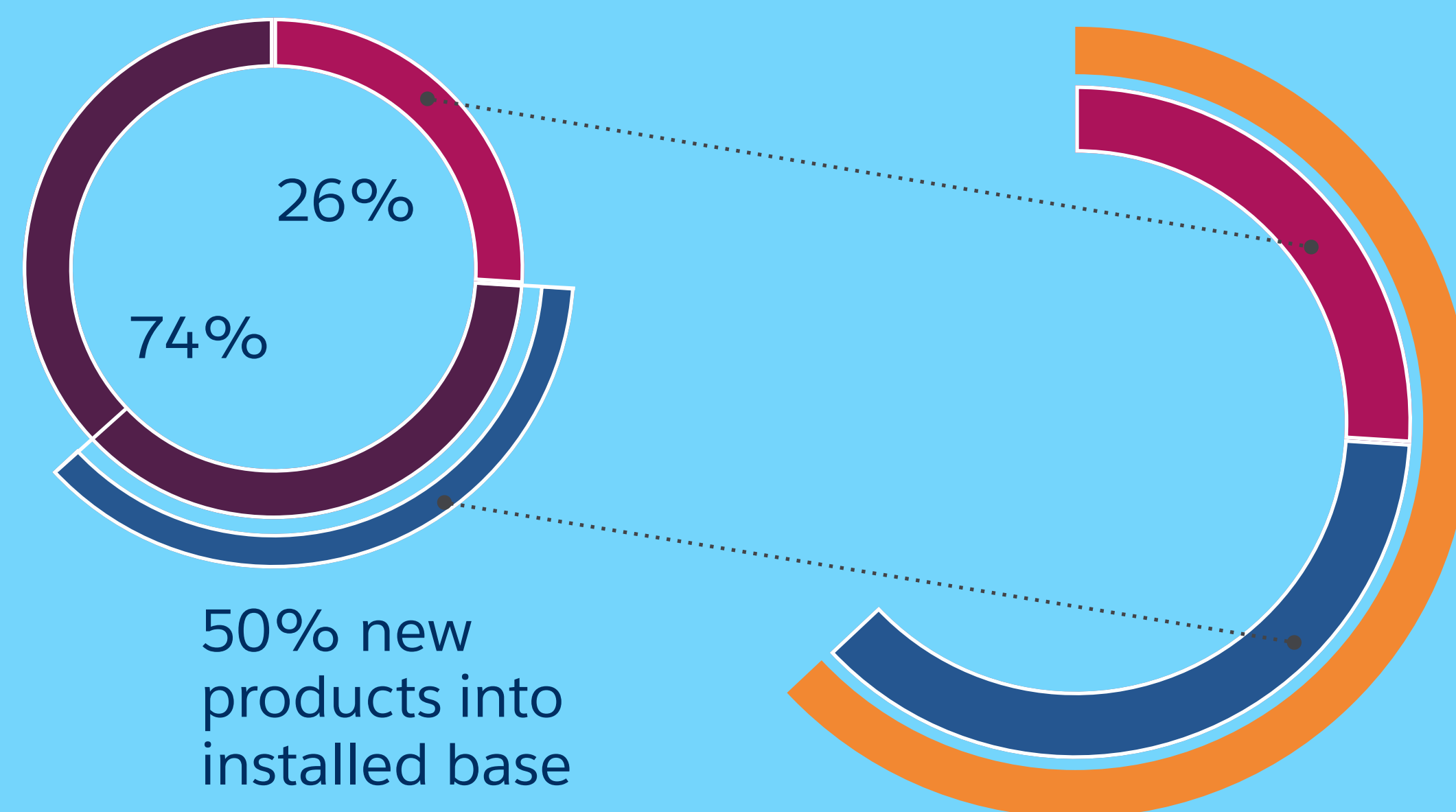
Note: Proportions based on sales during the trailing twelve months ended July 31 (fiscal Q2) as of the fiscal years noted. Data excludes amounts from recent acquisitions, including Tableau

Land and Expand

Innovation drives incremental growth

Incremental Annualized Revenue

FY20



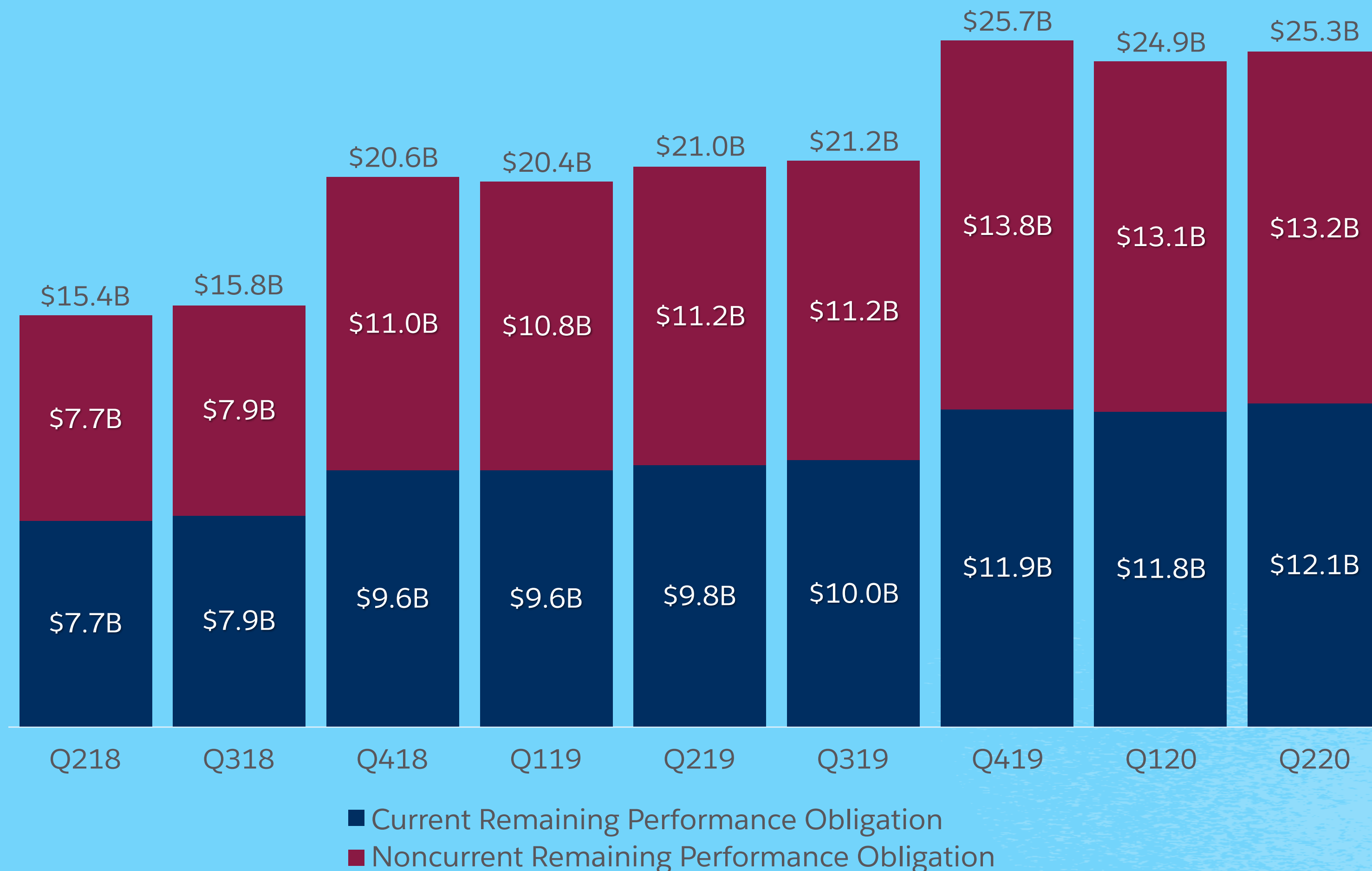
- New Logos
- Installed Base
- New products into installed base

Note: Proportions based on sales during the trailing twelve months ended July 31 (fiscal Q2) as of the fiscal years noted. Data excludes amounts from recent acquisitions, including Tableau. Net new products can include existing product options, but are new to the customer. Calc: 63% equals 50% new products to installed base multiplied by installed base of 74% plus 26% new logos

Business Model Sustains Growth

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Playbook execution drives RPO



Q2 FY20
Y/Y Growth

+23%

Current RPO (CRPO)

+20%

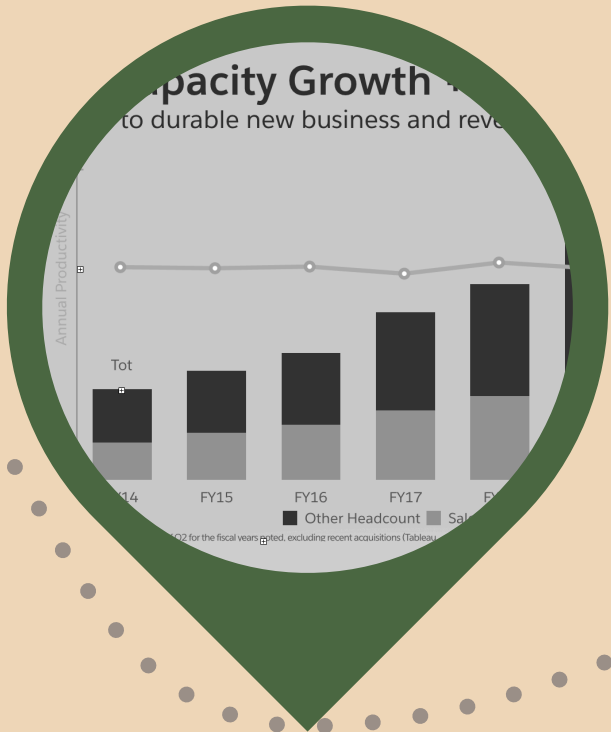
Total RPO

¹Topic 606 introduced remaining transaction price, which is different than unbilled deferred revenue under previous accounting guidance. Transaction price allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue and unbilled amounts that will be recognized as revenue in future periods. Transaction price allocated to the remaining performance obligation is influenced by several factors, including seasonality, the timing of renewals, average contract terms and foreign currency exchange rates. Unbilled portions of the remaining transaction price denominated in foreign currencies are revalued each period based on the period end exchange rates. As with unbilled deferred revenue under previous accounting guidance, the portion of the remaining transaction price that is unbilled is not recorded on the balance sheet.

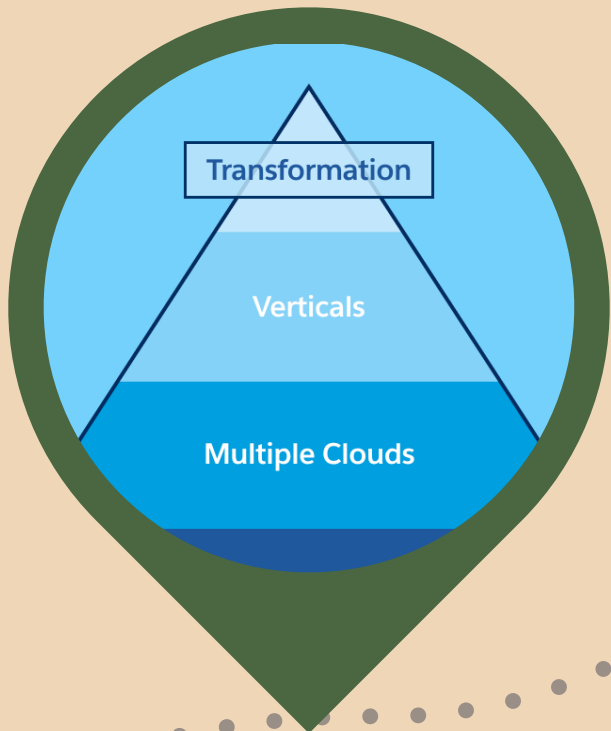
Role of Enterprise, Geos and Industries



Markets
Secular Tailwinds



Drivers
Managing Growth



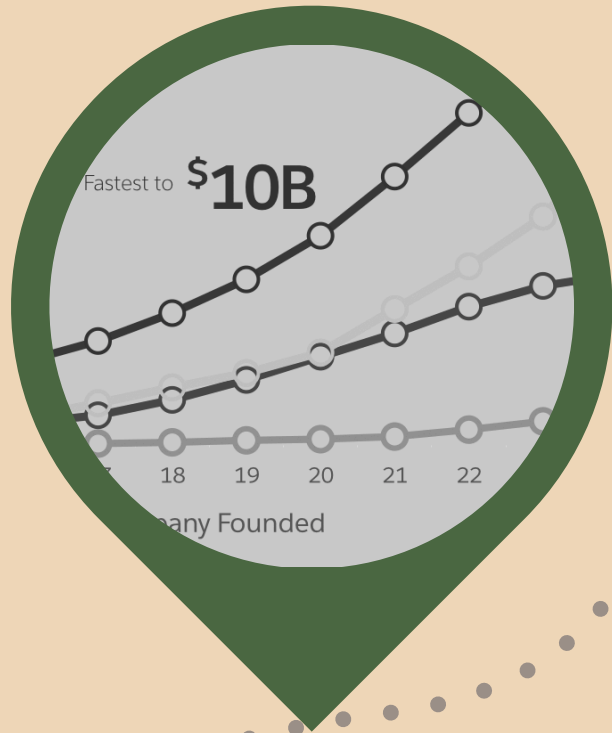
Strategies
Enterprise, Geos and Industries



Innovation
Organic and Inorganic



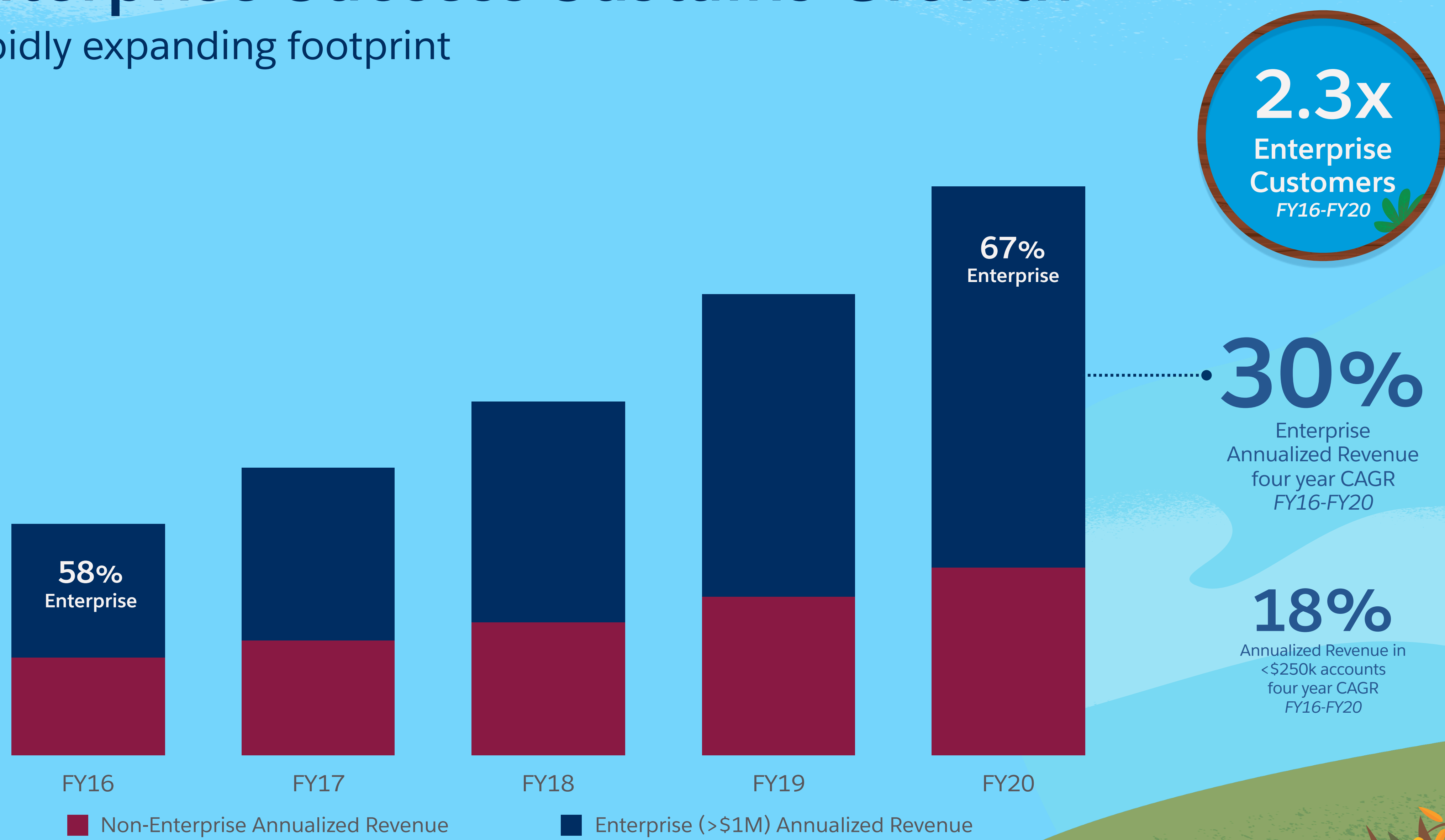
Margins and Cash
Tradeoffs of Growth and Margin



Wrap-Up

Enterprise Success Sustains Growth

Rapidly expanding footprint

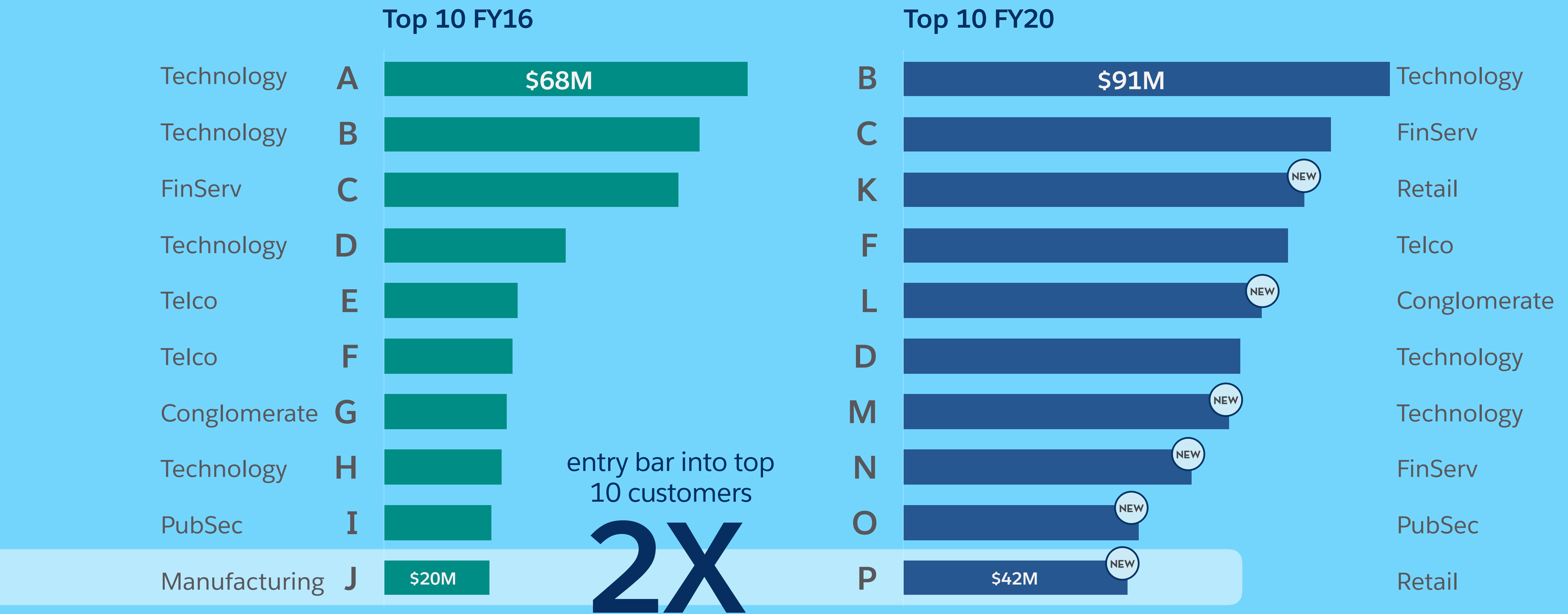


Note: Annualized Revenue as of July 31 2019 for the fiscal years noted. Data excludes Annualized Revenue from recent acquisitions, including Tableau and ClickSoftware

Sustaining Growth in Largest Accounts



60% of top customers new to Top 10 in FY20



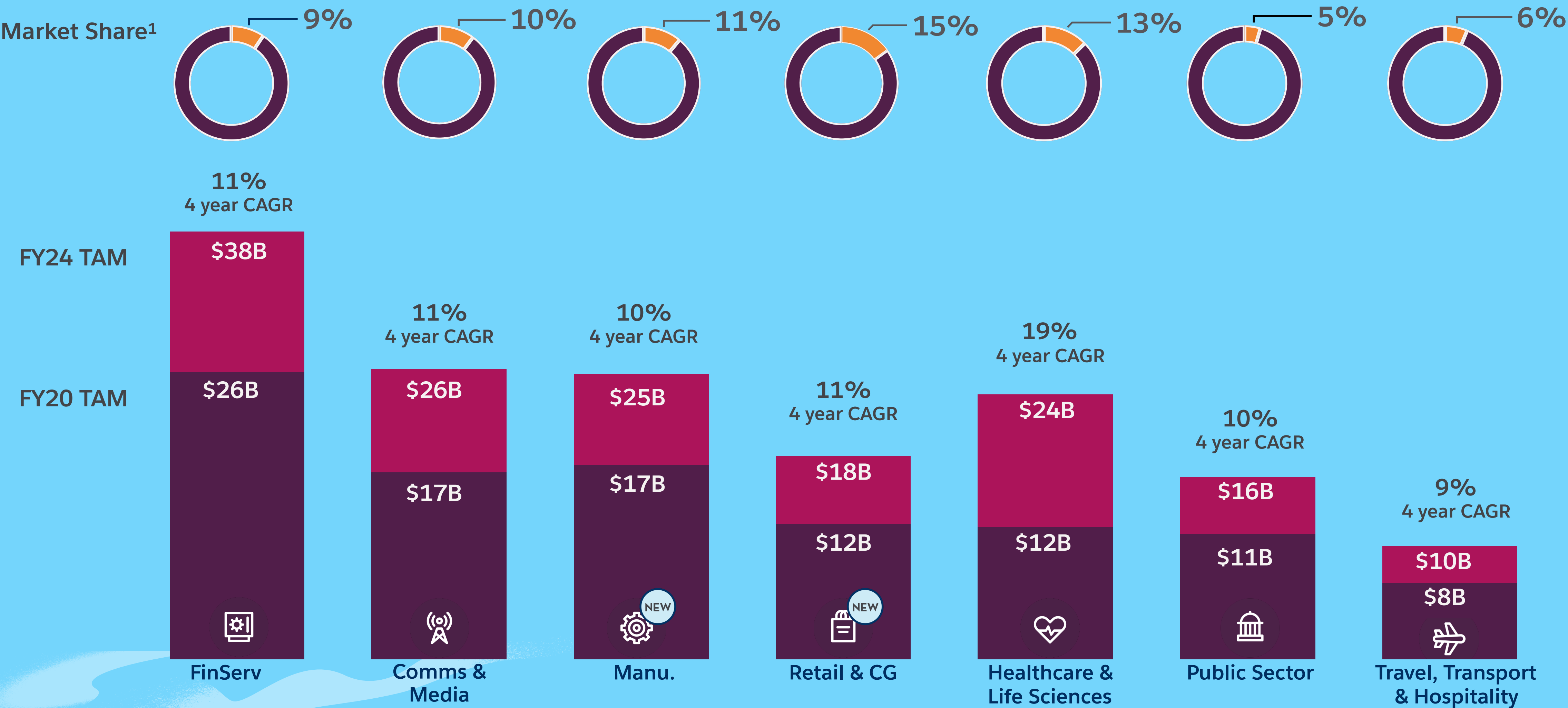
Note: Represents annualized revenue as of July 31st for the fiscal years noted. This is an update to the previously issued content provided on November 20, 2019



Industries Success Sustains Growth



Early days with lots of room to run



Source: Salesforce estimates based on internal research and industry analysts.

¹Market Share calculation represents annualized revenue as of July 31 2019 as a percentage of FY20 TAM based on Salesforce estimates shown above.

New Growth via Industries

Industries deliver new markets and customers

Fortune 1000 <i>Industry</i>	Customer Count: \$10M+ Annual Spend		Customer Count: Growth
	<i>FY16</i>	<i>FY20</i>	<i>FY16 - FY20</i>
 Financial Services	5	23	4.6x
 Media & Comms	7	9	1.3x
 High Tech	6	11	1.8x
 Retail & CG	2	10	5.0x
 Healthcare & Life Sciences	4	13	3.3x
 Manufacturing	2	7	3.5x
 Others	2	6	3.0x
Total	28	79	~3x



Customer Count Growth

~3X

F1000
companies
\$10M+ band
customer count
growth

Note: customer counts as of Q2 for the fiscal years noted. Data excludes counts from recent acquisitions, including Tableau

Value From Industry Focus

salesforce

Speaking the language of the customer drives economic benefits



Higher TAM¹

New products
increase potential
customer base



New Logos²

Specialized industry
features attract new
customers



Higher ASPs

Customers spend more
for out-of-the-box
customization
(Financial Services Cloud)



Low Attrition

Solutions that solve
specific industry needs
are stickier
(Financial Services Cloud)

¹Source: Salesforce estimates based on internal research and industry analysts. Represents Vertical Specific Software TAM not included in Gartner CRM TAM presented on slide 23.

²New logos for industries calculated as total number of customers new to Salesforce and industry cloud in Q2 FY20 divided by total customers adopting industry clouds in Q2 FY20.

³ASPs are a function of licenses purchased and the total size of a customer relationship. Higher vertical ASP represents average price premium from financial services cloud over Sales and Service products.

⁴Attrition represents TTM dollar attrition for financial services cloud compared to TTM dollar attrition for Sales and Service products. Note: not enough data for HLS cloud due to later launch to reasonably determine impact on attrition, this attrition rate is for Financial Services Cloud specifically.

Ecosystem Advantage: SIs

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Partners and ISVs are aligned by industry



+30%

Partner Certified
Individuals



~100

Industry Focused
Partners
(1000+ Total Partners)

Consulting Partners

accenture

APPIRIO
a wipro company

bluewolf
an IBM Company

Capgemini

Cognizant

Deloitte.

Infosys

pwc

TATA
TATA CONSULTANCY SERVICES

WPP

publicis
WORLDWIDE

dentsu

¹ Growth stats based on FY20 H1 compared to FY19 H1

² AppExchange listings based on 10/18/2019

Ecosystem Advantage: ISVs

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Largest B2B app exchange in the world supports our innovation

Independent Software Vendors

APTTUS®

Cerner™

conga®

DocuSign®

FINANCIALFORCE

IQVIA™

ncino®

veeva

Vlocity™



5,000+

App Exchange
Listings



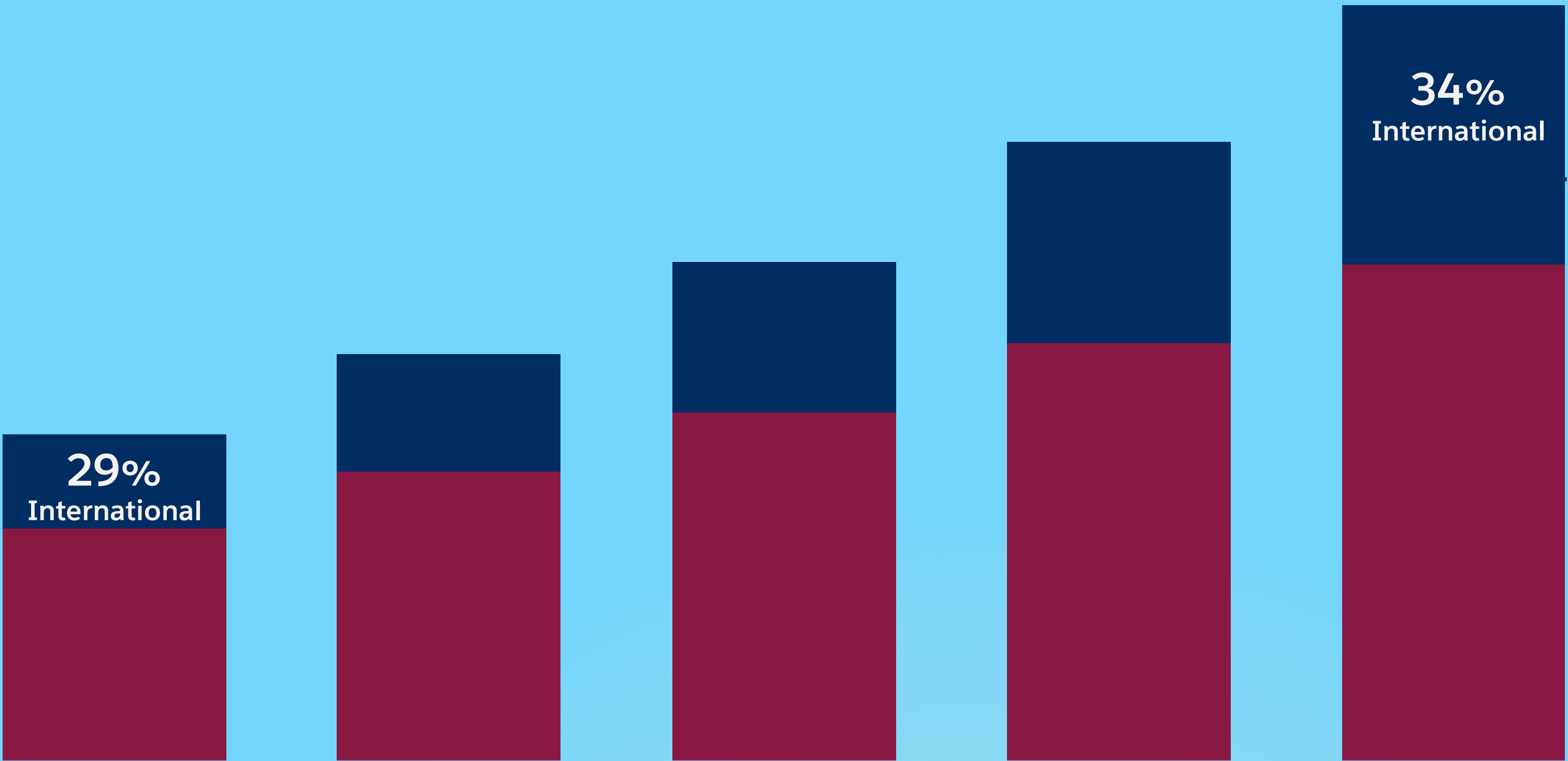
+20%

FY20 Installs

¹ Growth stats based on FY20 H1 compared to FY19 H1
² AppExchange listings based on 10/18/2019

International Success Sustains Growth

Language of Digital Transformation is global



29%

International
Annualized Revenue
four year CAGR
FY16-FY20



N. America Annualized Revenue



International Annualized Revenue

Note: Annualized Revenue as of July 31 2019 for the fiscal years noted. Data excludes Annualized Revenue from recent acquisitions, including Tableau and ClickSoftware

Building International Scale

Leadership and autonomy in local markets

salesforce

30%

International
total headcount
three year CAGR
FY17-FY20

40%

More countries with
>\$50M Annualized
Revenue since FY17



Jayne-Anne Gadhia
CEO, UK & Ireland



Gavin Patterson
Chairman, EMEA



Angelique de Vries
GM Sales Cloud,
EMEA



Ulrik Nahammer
EVP, APAC



Miguel Milano
President, EMEA, APAC,
LACA Sales



Shinichi Koide
Chairman, President & CEO,
Japan



Pip Marlowe
CEO, ANZ

Trailhead Momentum

Paving the way for the next generation of Trailblazers



▲ +88% YoY



Herbin Ngohe
Engie
Trailblazer

Strategic Technology Partners

Extending the capabilities of the Salesforce Customer 360

salesforce

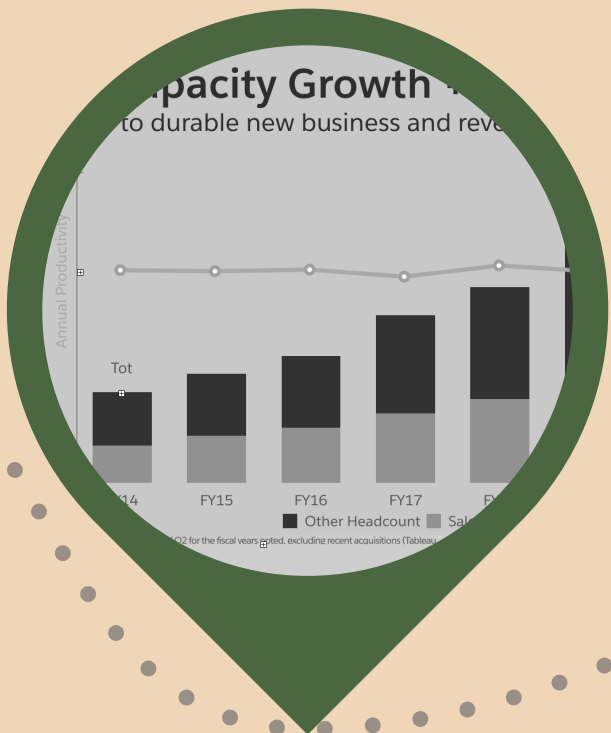
Google



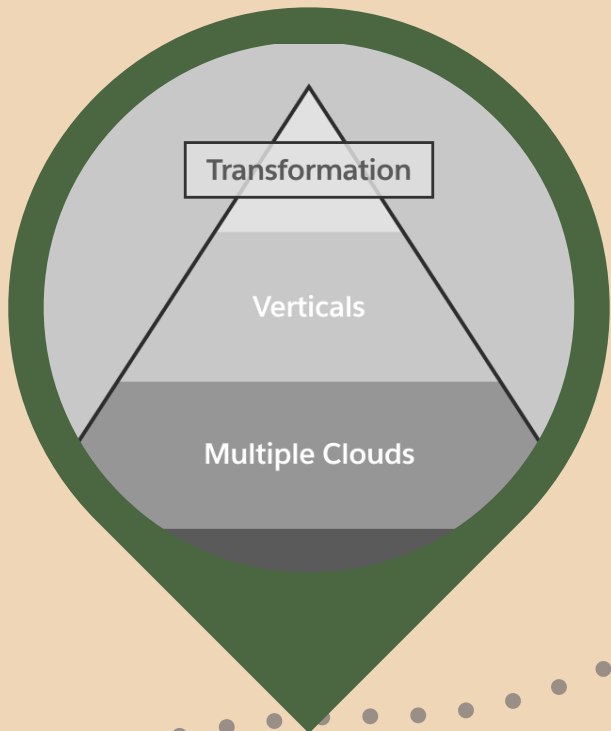
Innovation



Markets
Secular Tailwinds



Drivers
Managing Growth



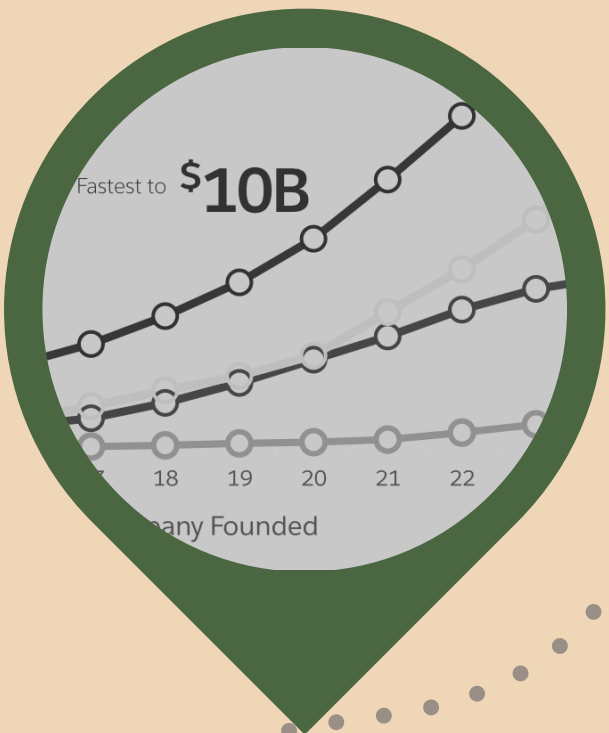
Strategies
Enterprise, Geos and Industries



Innovation
Organic and Inorganic



Margins and Cash
Tradeoffs of Growth and Margin



Wrap-Up

Innovation Drives Growth

Serving customers with the most complete portfolio of products



Portfolio as of July 31 2019 . Excludes recent acquisitions, including Tableau and ClickSoftware

Innovation Drives Growth

Executing ongoing organic innovation



Innovation Drives Growth

Integrating inorganic innovation and building upon it



Portfolio as of July 31 2019 . Excludes recent acquisitions, including Tableau and ClickSoftware

M&A Framework

Driven by customer needs



		Tech & Talent	Adjacencies	New Markets
Financial Impact	Rationale	Specific IP to augment organic innovation	Complimentary products which extend organic innovation	Deliver scaled new offerings
	Historical Total	~50	~10	4
	Example	INSTRANET	STEELBRICK	+ a b e a u
	Growth Impact	Future	Tailwind	Tailwind
	Margin Impact (Near Term)	Immaterial	Headwind	Headwind

Complimenting Organic Innovation

salesforce

Delivering
Customer
Success



Source of Entrepreneurial Talent

salesforce



Bret Taylor
President & Chief Product Officer



Adam Selipsky
CEO, Tableau



Simon Parmett
CEO, MuleSoft



Adam Blitzer
CEO, Marketing Cloud



Margaret Francis
SVP Product and GM, Heroku



Mary Kay Huse
EVP, Consumer Engagement



Alexandre Dayon
President & Chief Strategy Officer



Richard Socher
Chief Scientist



Katrin Ribant
SVP, Product Management



Andy Kofoed
EVP & COO, B2C



Ray Grady
SVP and GM, B2B Commerce



Meredith Flynn-Ripley
VP, Mobile Messaging



Ran Sarig
SVP & GM, Datorama



Shannon Duffy
SVP, Product Marketing



Mike Micucci
CEO, Commerce Cloud

Financial Implications

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Acquisitions create both tailwinds and headwinds to growth and margin

Tailwinds

Revenue
Contribution

Cross Selling &
Synergies

Scaling of
Operations

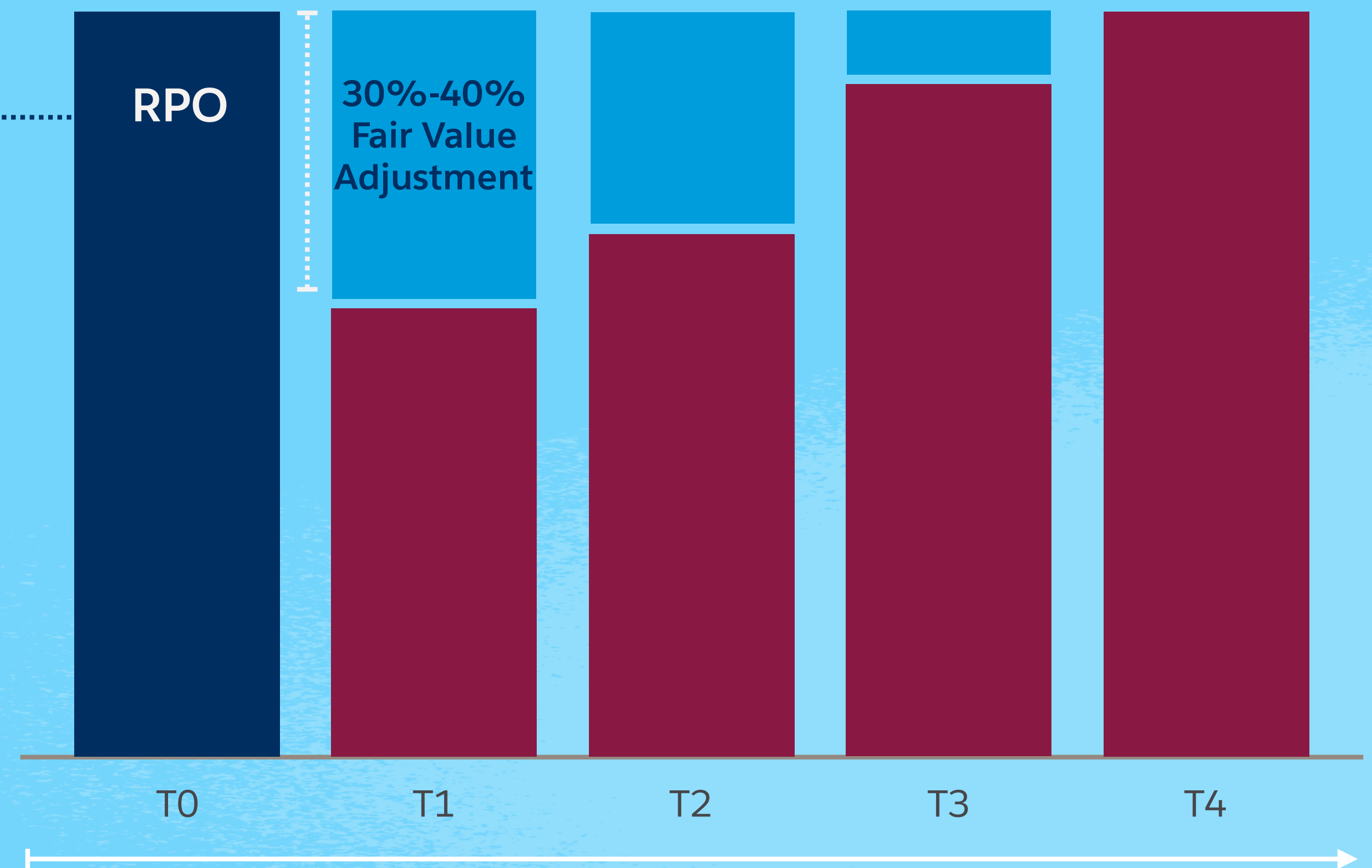
Headwinds

Purchase
Accounting

Transaction &
Integration Fees

Incremental
Investments

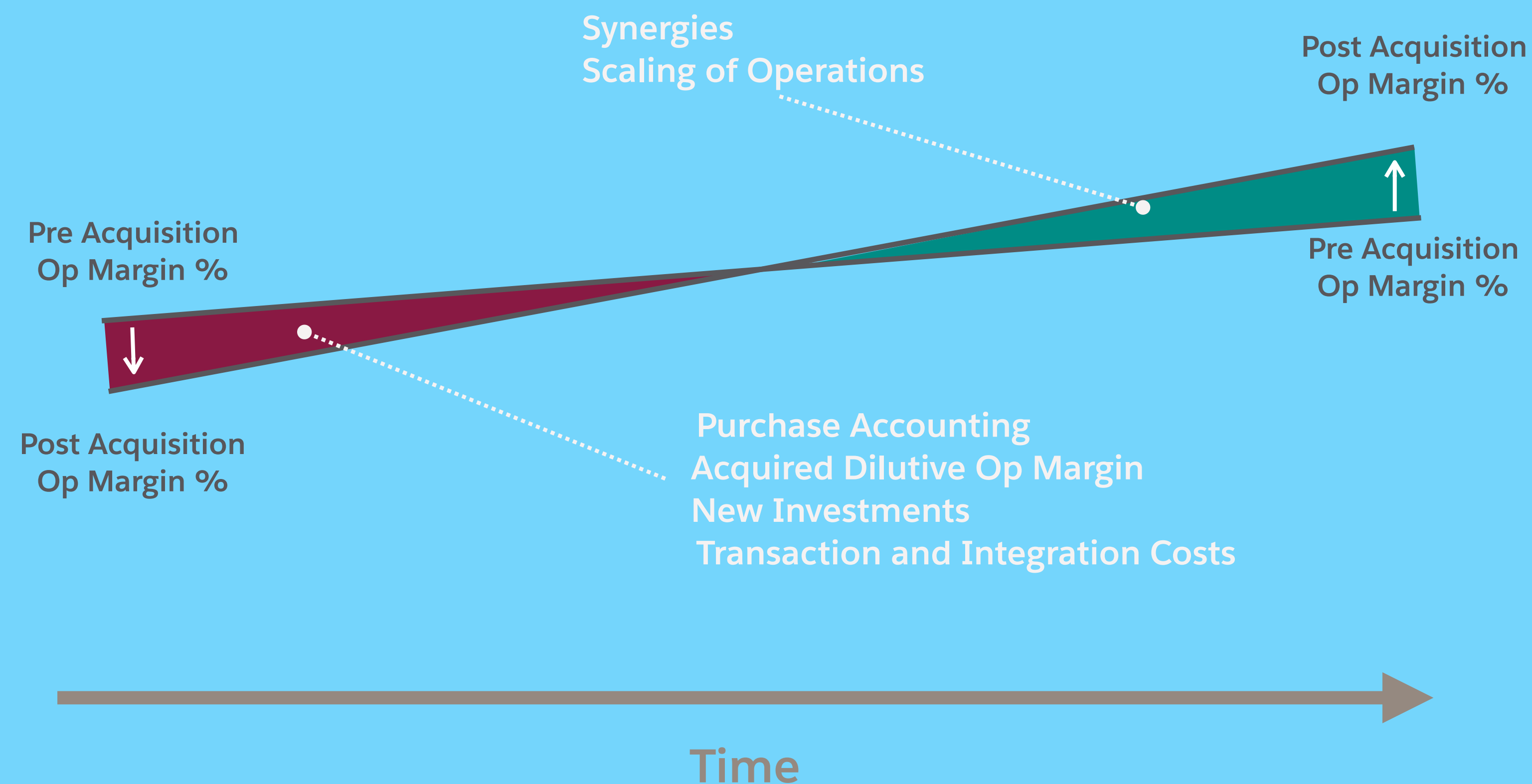
Acquired RPO fair value adjustment (write down) persists over the the average contract length (e.g. 2-3 years, etc.)



M&A in successive years layers on residual fair value adjustments

Growth & Margin Impacts

Near term margin dilution improves to long term margin accretion



Non-GAAP Operating Margin Percentage at Acquisition ¹		-6%
		3%
		-9%

¹ Numbers represent most recent publicly available guided full year non-GAAP operating margin percentage prior to acquisition by Salesforce.

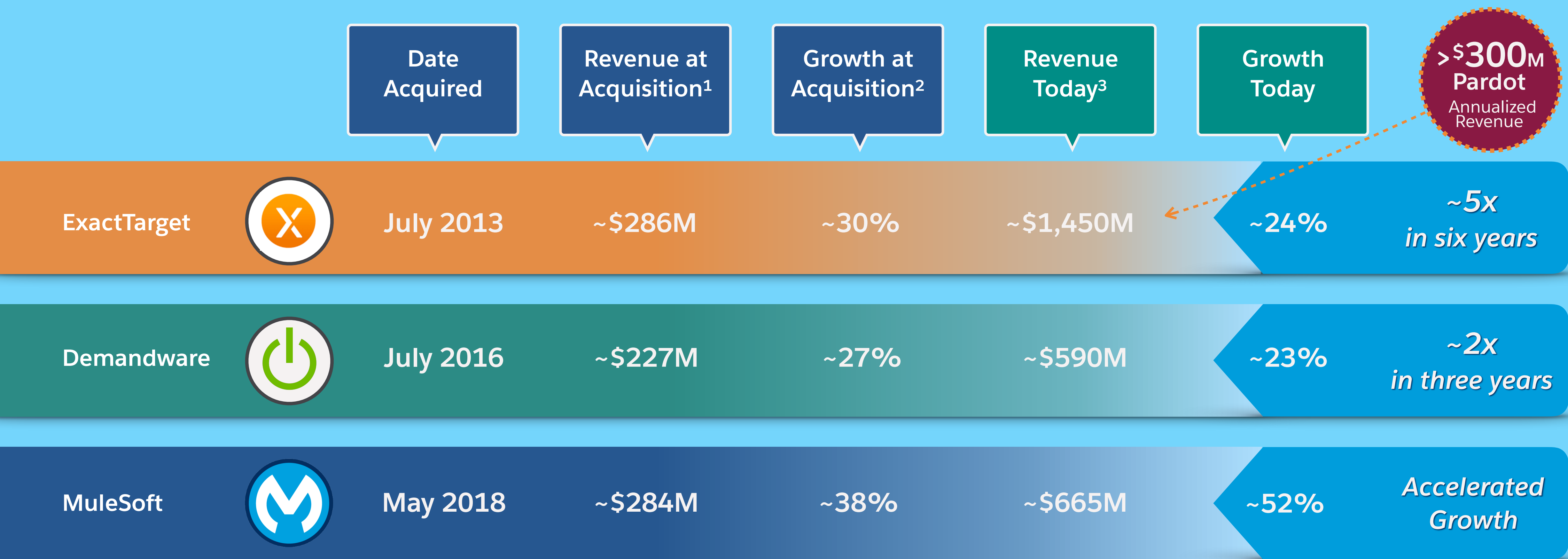
This assumes a single material acquisition is done during the time period noted.

Non-GAAP Operating Margin 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.

Track Record of Successful Acquisitions



Returns on M&A capital allocation strategy



¹Calculated based on last available subscription revenue guide prior to acquisition, annualized if quarterly guidance. For Mulesoft, used annualized Q1 revenue from pro-forma S4 filed on July 3 2019, which represents last available public quarterly financial data.

²Represents last available full year total revenue guidance prior to acquisition as a percentage of last reported annual total revenue prior to acquisition.

³Revenue represents current annualized revenue as of Q2 FY20, for each standalone product or only the subset of current Salesforce product acquired. Growth represents YOY annualized revenue growth based on Q2 FY20 revenue for the products specified herein.

Finance Review with John Cummings

SVP Investor Relations

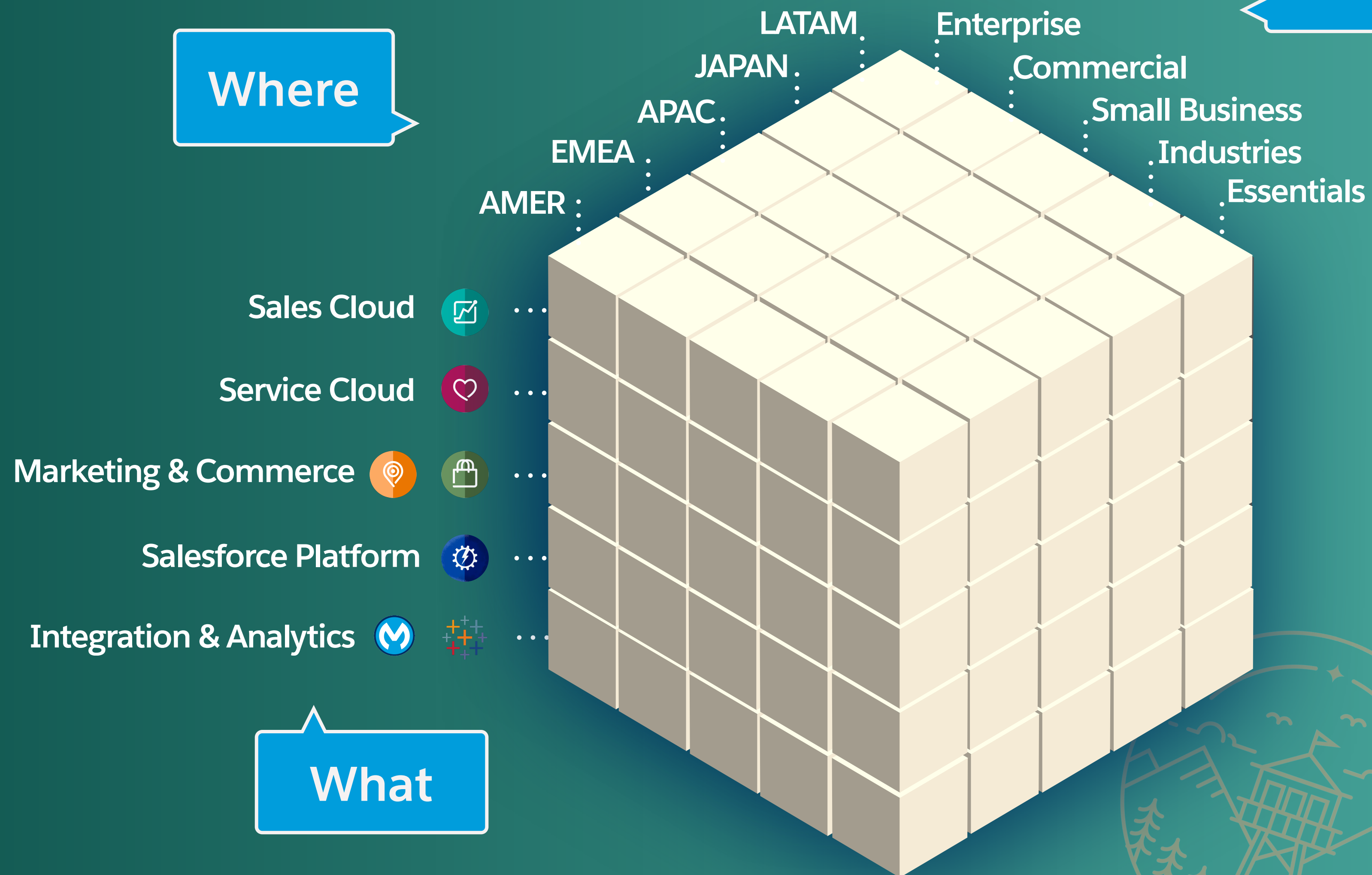


Managing the Business

A portfolio of unique unit economic margins

Where

Who



Note: For illustration purposes only.

Unit Economic Margins¹

Attrition, Cost to Book, and Cost to Serve

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Key Terms and Expressions

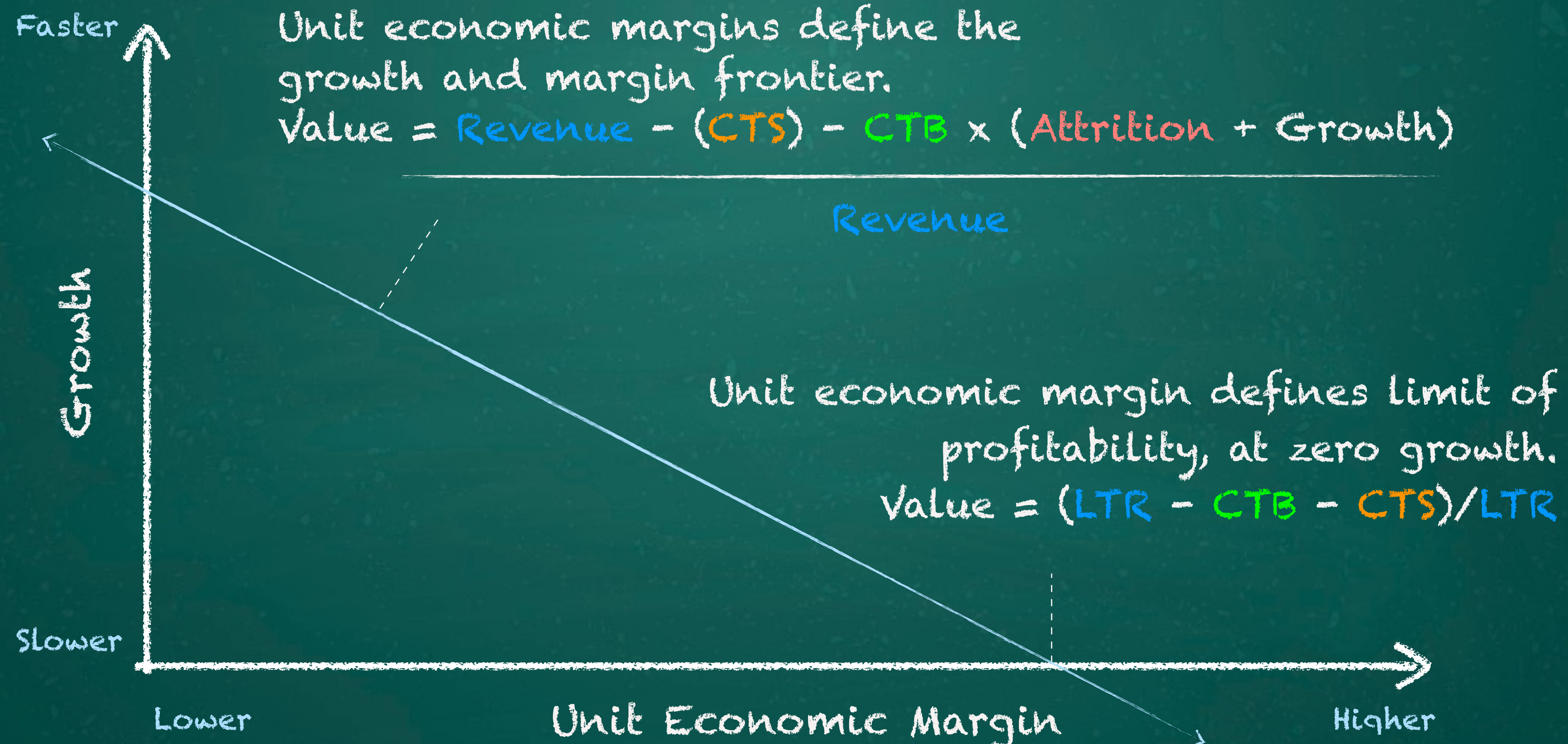
- 1** **Attrition:**
Defines expected life of \$1 of recurring revenue
- 2** **Lifetime Revenue (LTR):**
Cumulative value of \$1 recurring revenue over expected life
(Value = $\$1 / \text{Attrition}$)
- 3** **Cost to Book (CTB):**
Cost to acquire \$1 recurring revenue
- 4** **Cost to Serve (CTS):**
Cost to serve \$1 of recurring revenue over expected life
(Value = expressed as a % of revenue)

¹ Unit Economic margin in this and subsequent slides are calculations based on assumptions regarding unit lifetime revenue and subscription economics, including cost to book, cost to serve, and attrition dynamics. Unit Economic margin is not an operating margin. The “long-term margin” considers a low-single-digit growth rate.

Margin Frontier

Unit Economic Margins will change over time

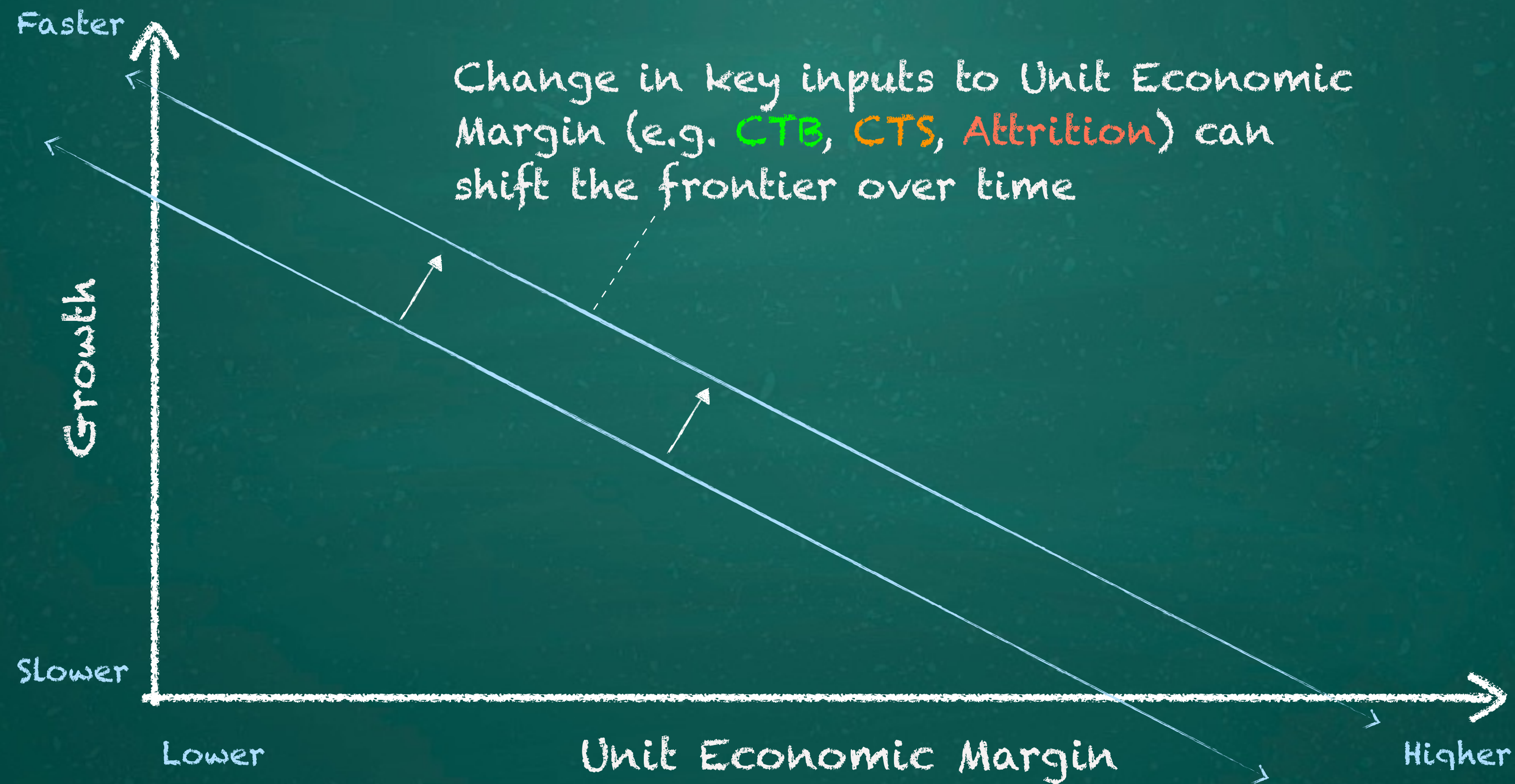
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Margin Frontier

Unit Economic Margins will change over time

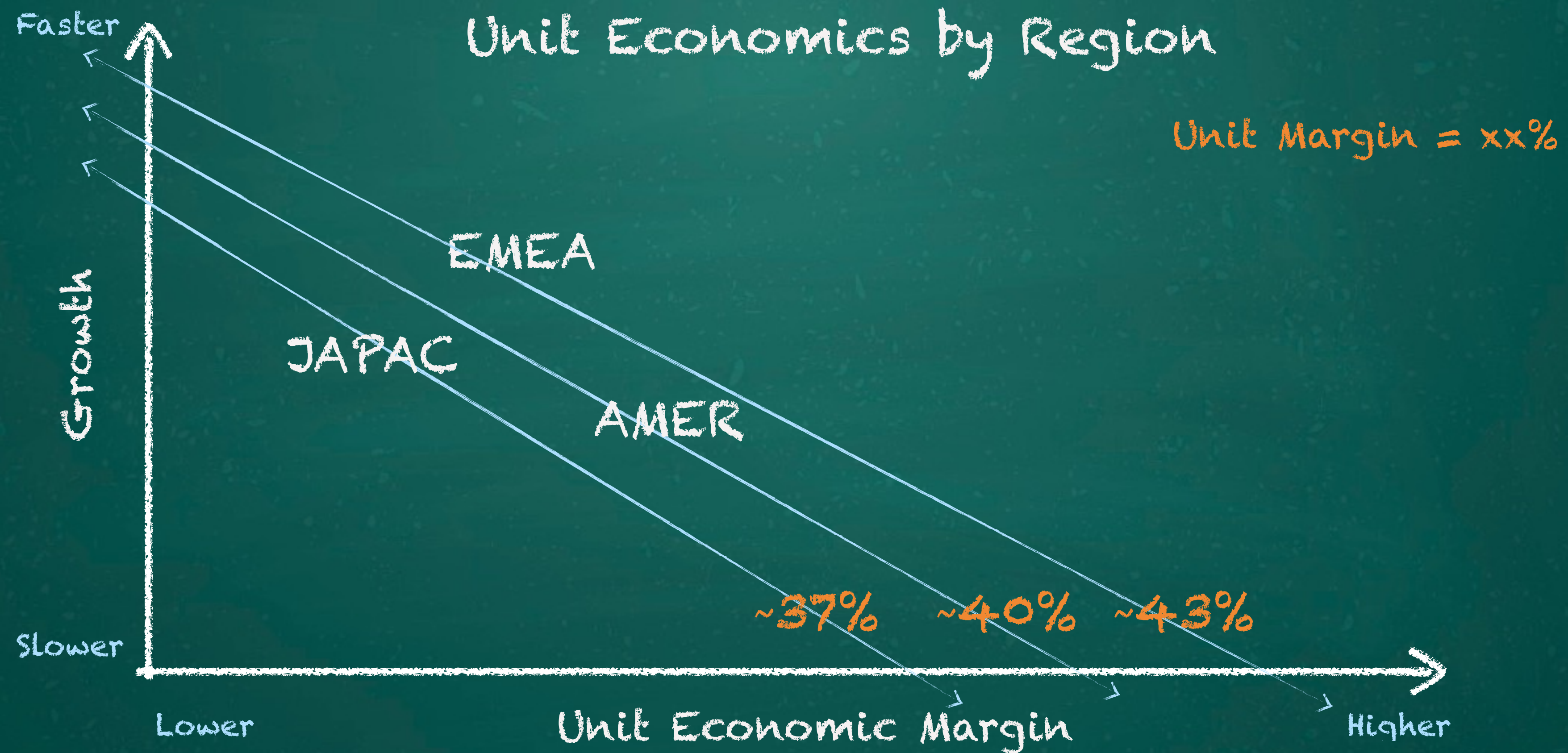
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Margin Frontier

Varies by Region

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Margin Frontier

Varies by End Market

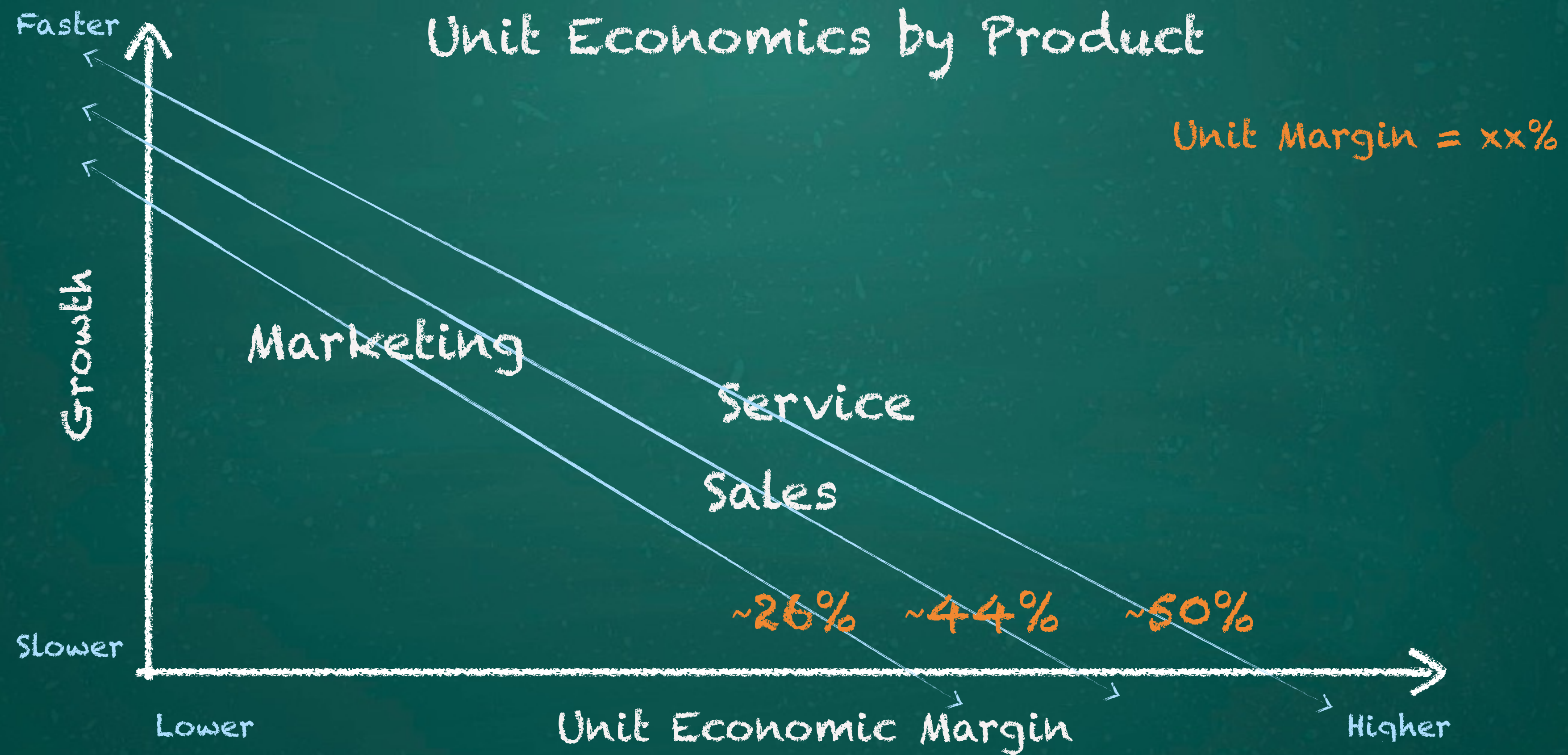
salesforce



Margin Frontier

Varies by Product

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Portfolio of Unit Economic Margins¹

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Lifetime economic margins today

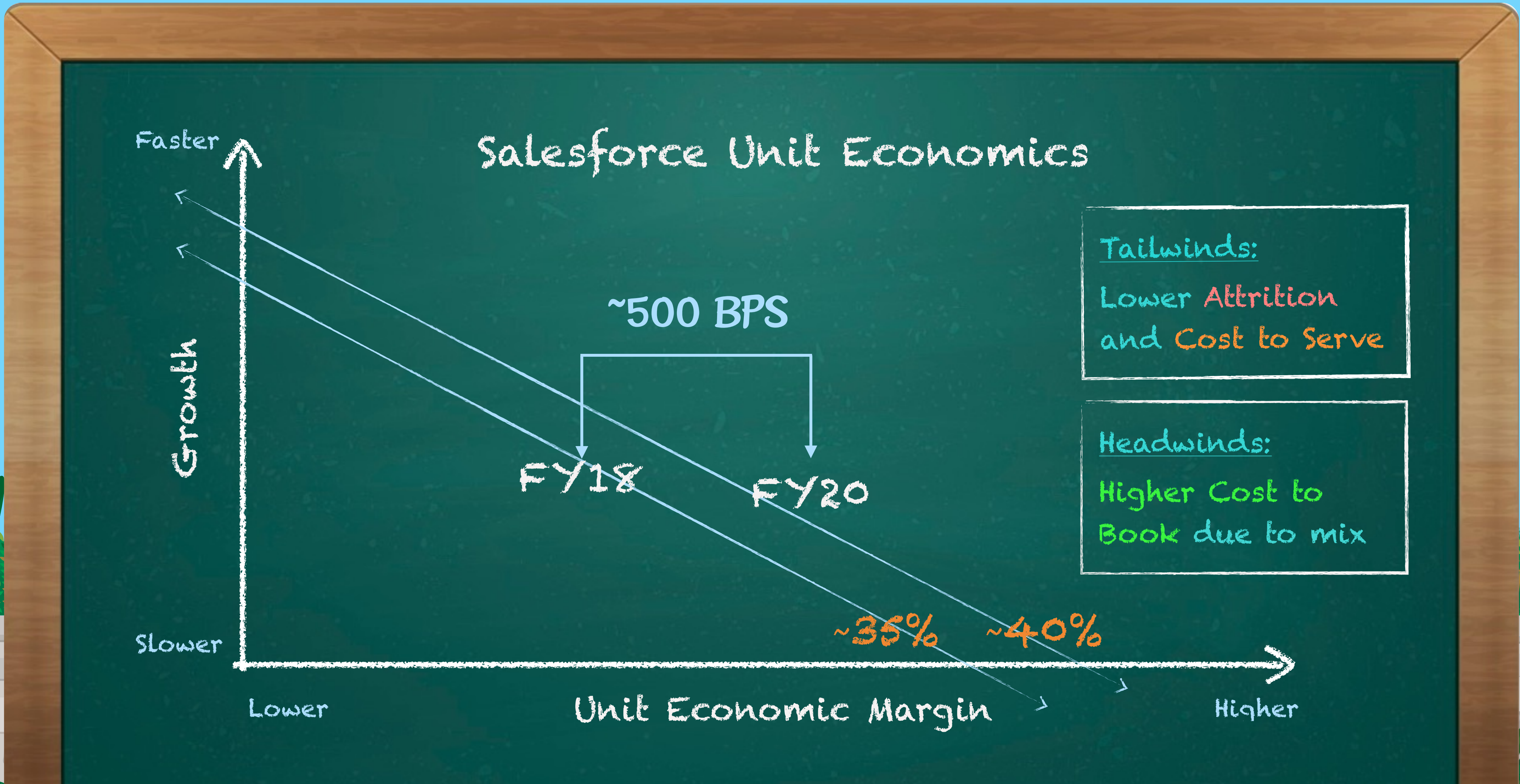


¹Economic margin calculations based on assumptions regarding unit lifetime revenue and subscription economics, including cost to book, cost to serve, and attrition dynamics. Economic margin is not an operating margin. The “long-term margin” considers a low-single-digit growth rate.

²YOY Growth represents YOY annualized revenue growth by cloud as of Q2 FY20

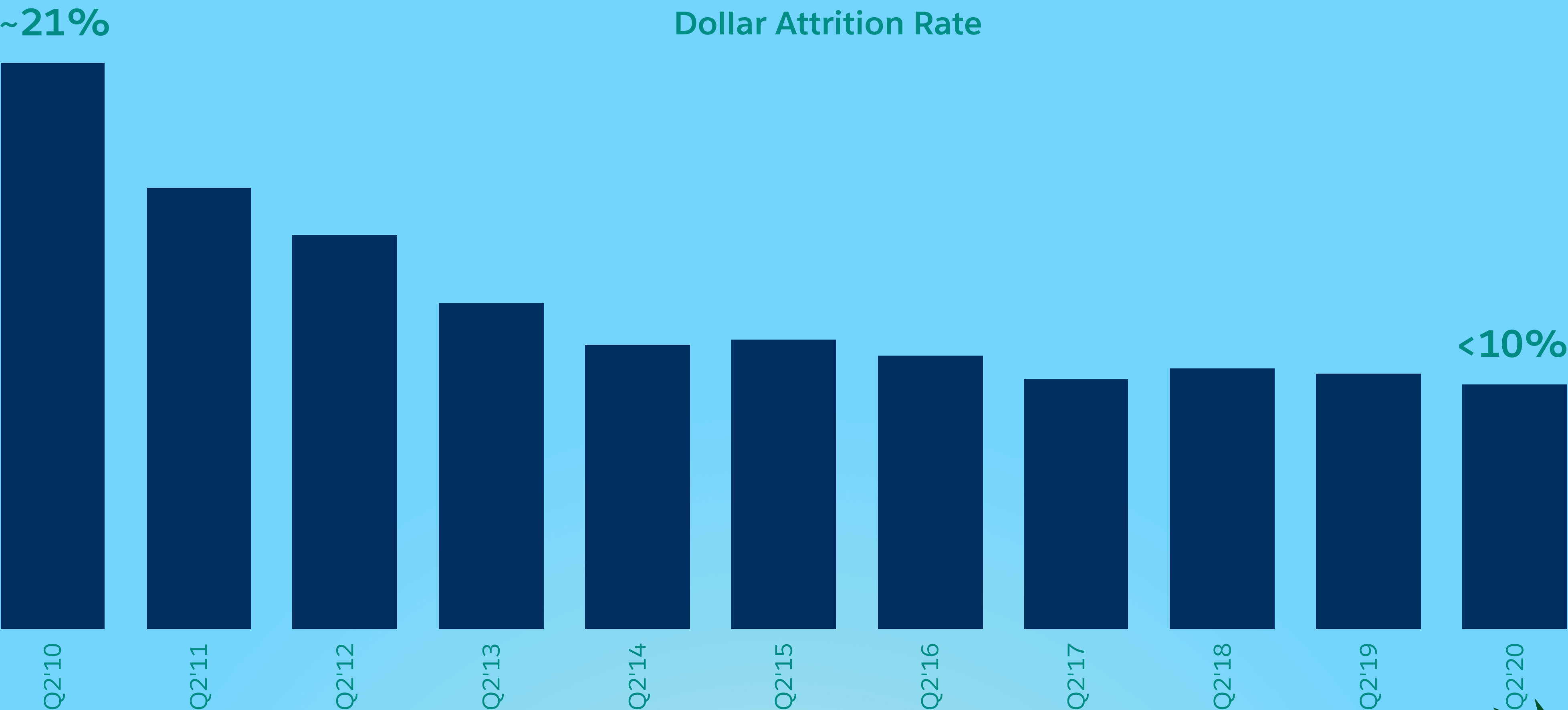
Aggregate Unit Economic Margin

Improved ~500 basis points FY18-FY20



History of Declining Attrition

10 years of improvement sustains growth and long term value

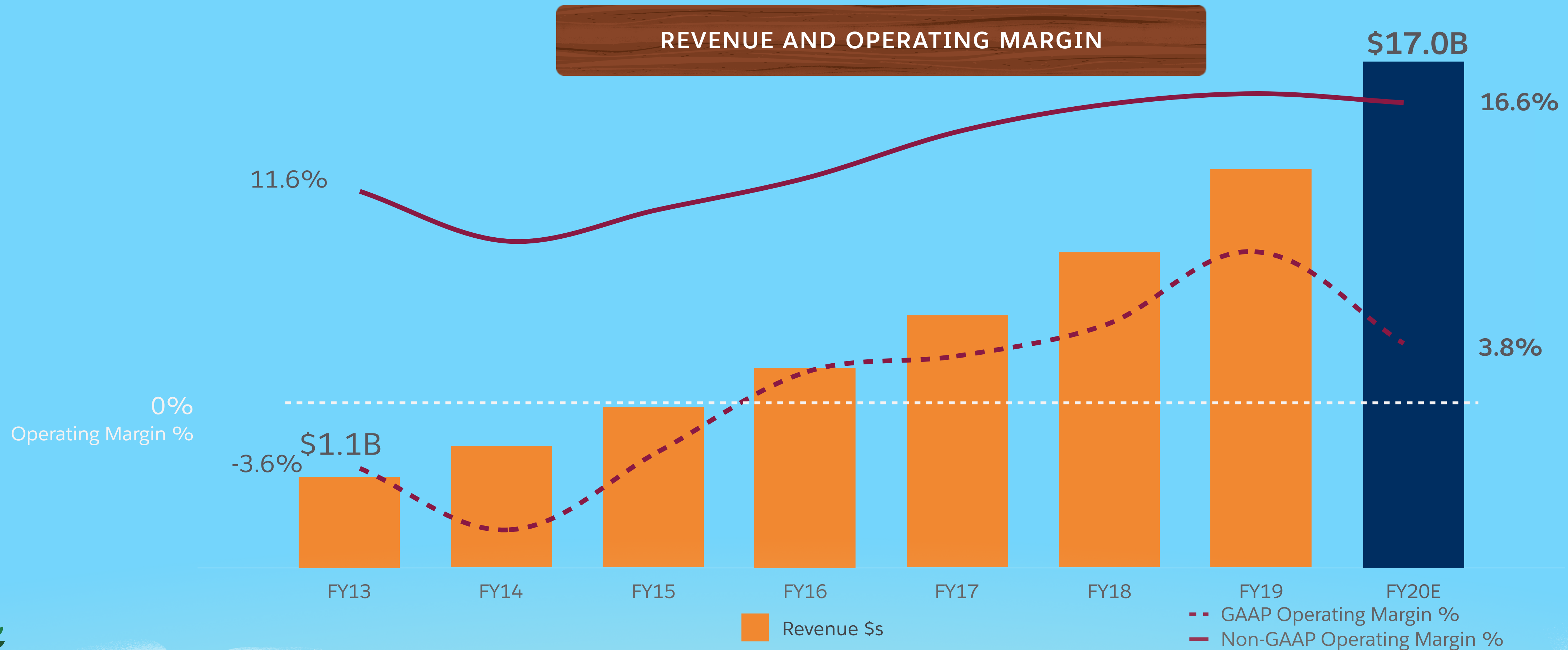


Note: Chart of dollar attrition as a percentage of revenue when compared to the year-ago period for Salesforce through Q2'16. Represents Q2 only of the Fiscal Years Mentioned. Excludes recent acquisitions including ClickSoftware and Tableau

Balancing Growth and Profitability

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Margin expansion throughout period of significant investment



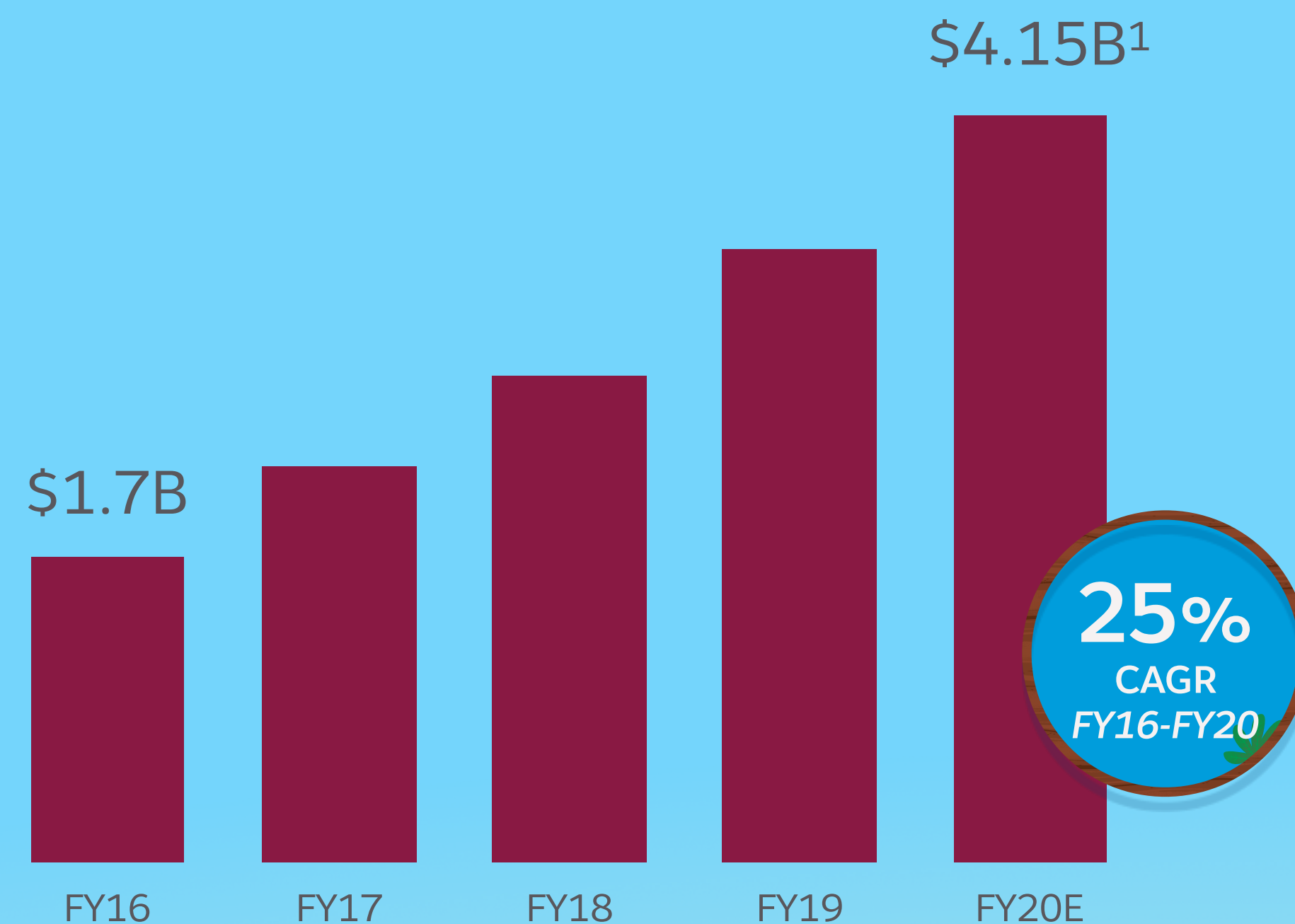
High end of FY20 revenue guide of \$16.99B to \$17.00B as of November 20, 2019. Non-GAAP operating margin year-over-year growth as of August 22nd, 2019. FY17 and FY18 revenues recasted under ASC 606. All other prior years under ASC 605.

Cash Flow Generation at Scale

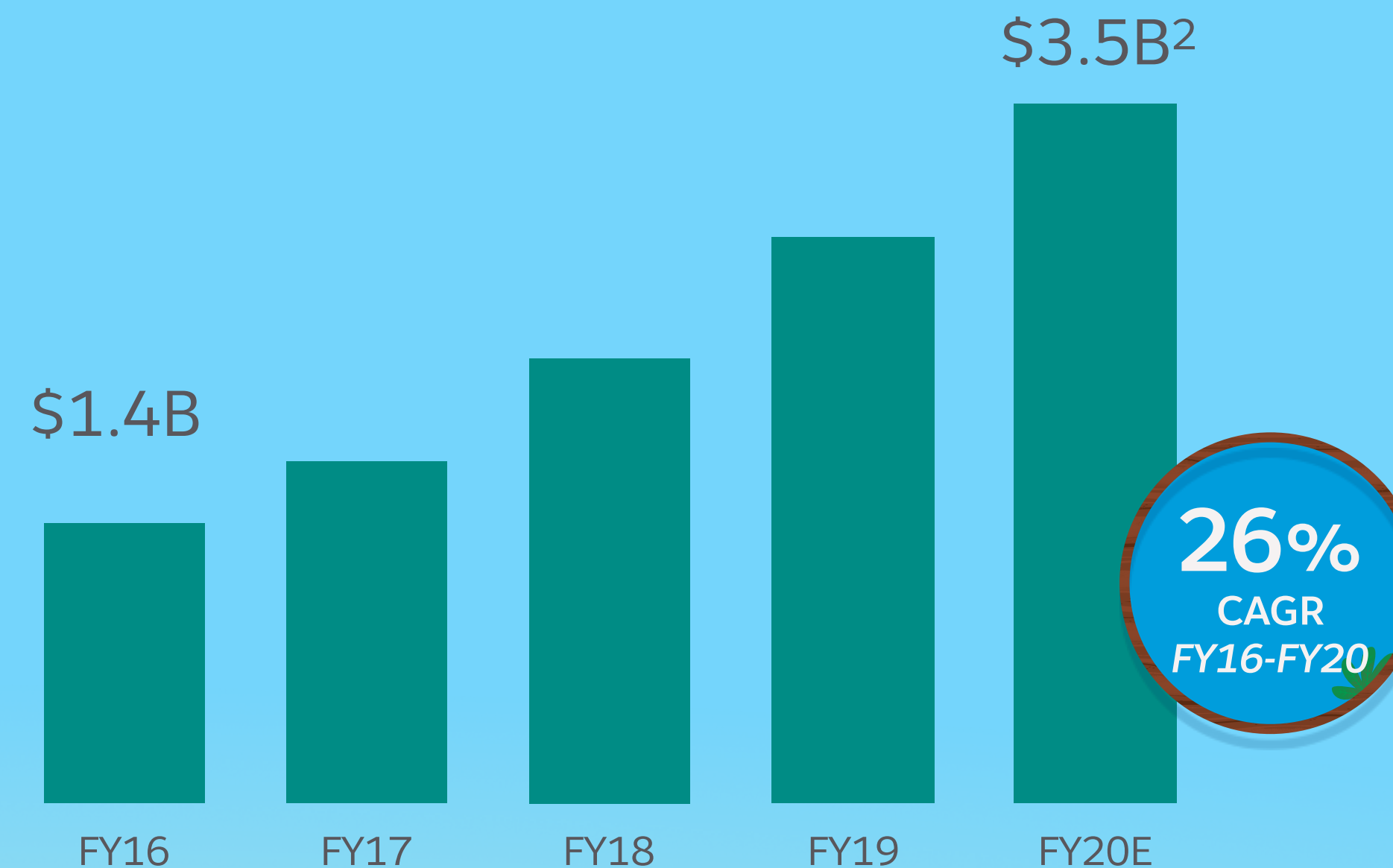


Operating Margin improvement accelerates cash flow growth

OPERATING CASH FLOW



FREE CASH FLOW³



¹FY20 operating cash flow guide of 21% to 22% year-over-year growth as of August 22nd, 2019.

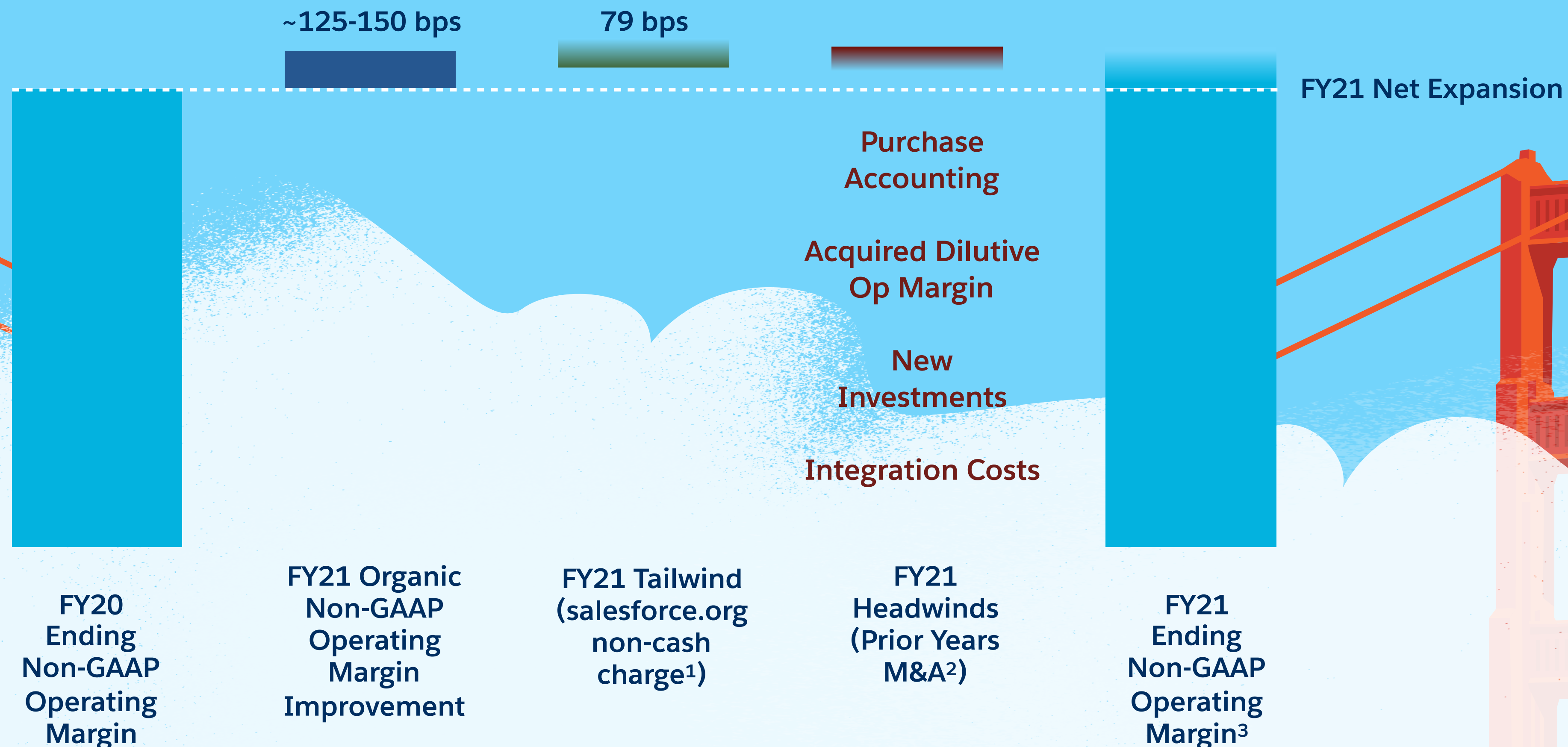
²FY20 free cash flow guide based on operating cash flow guide of 21-22% yoy growth and capital expenditures guided as ~4% of Revenue as of August 22nd, 2019.

³Free cash flow calculated as operating cash flow less capital expenditures for each fiscal year shown.

FY21 Margin Expansion Dynamics



Improving organic operating efficiencies



¹One-time accounting charge of \$166M related to acquisition of salesforce.org in FY20. This charge is not recurring in FY21, increasing YoY operating margin improvement.

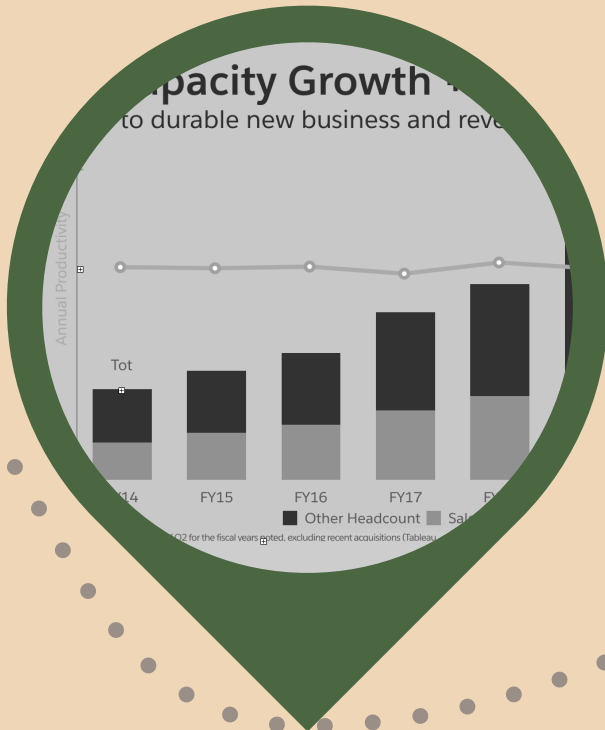
² FY20 acquisitions (Tableau, SFDO, ClickSoftware, & MapAnything) have lower margin profiles than SFDC. Integration costs and investments in the business increases OpEx. They represent a headwind to FY21 Operating Margin. Purchase accounting due to write down of deferred revenue from acquisitions made prior to FY20 also may act as a headwind to FY21 operating margin.

³Inclusive of net headwinds and one time non cash charge tailwind (footnotes 1 and 2 above), expect net operating margin expansion in FY21.

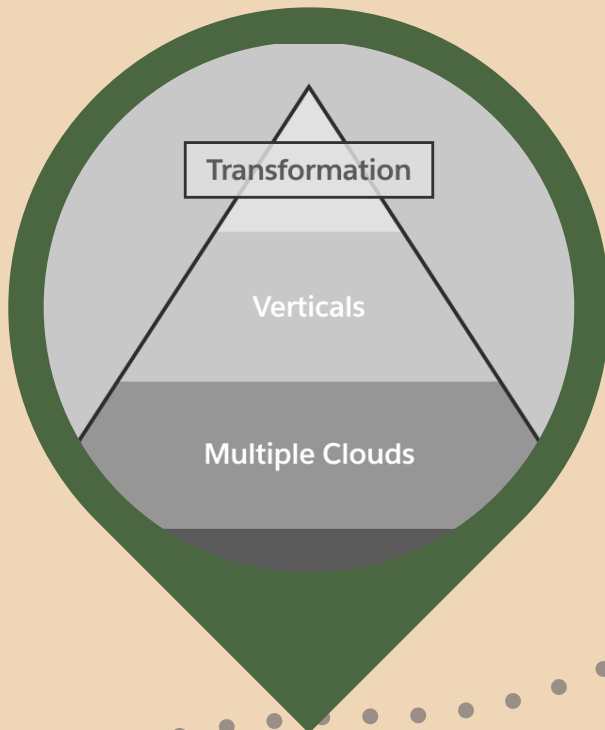
Closing Thoughts



Markets
Secular Tailwinds



Drivers
Managing Growth



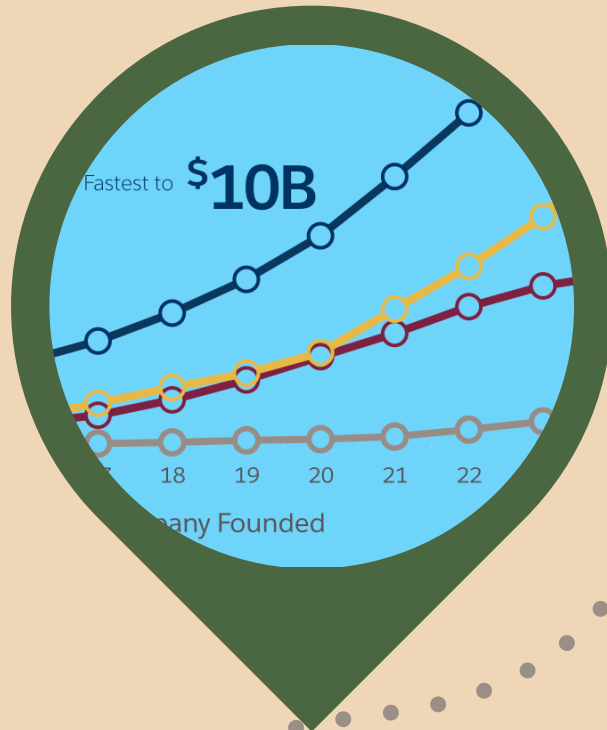
Strategies
Enterprise, Geos and Industries



Innovation
Organic and Inorganic



Margins and Cash
Tradeoffs of Growth and Margin



Wrap-Up

Sustained Growth at Scale

20 Years of sequential revenue growth

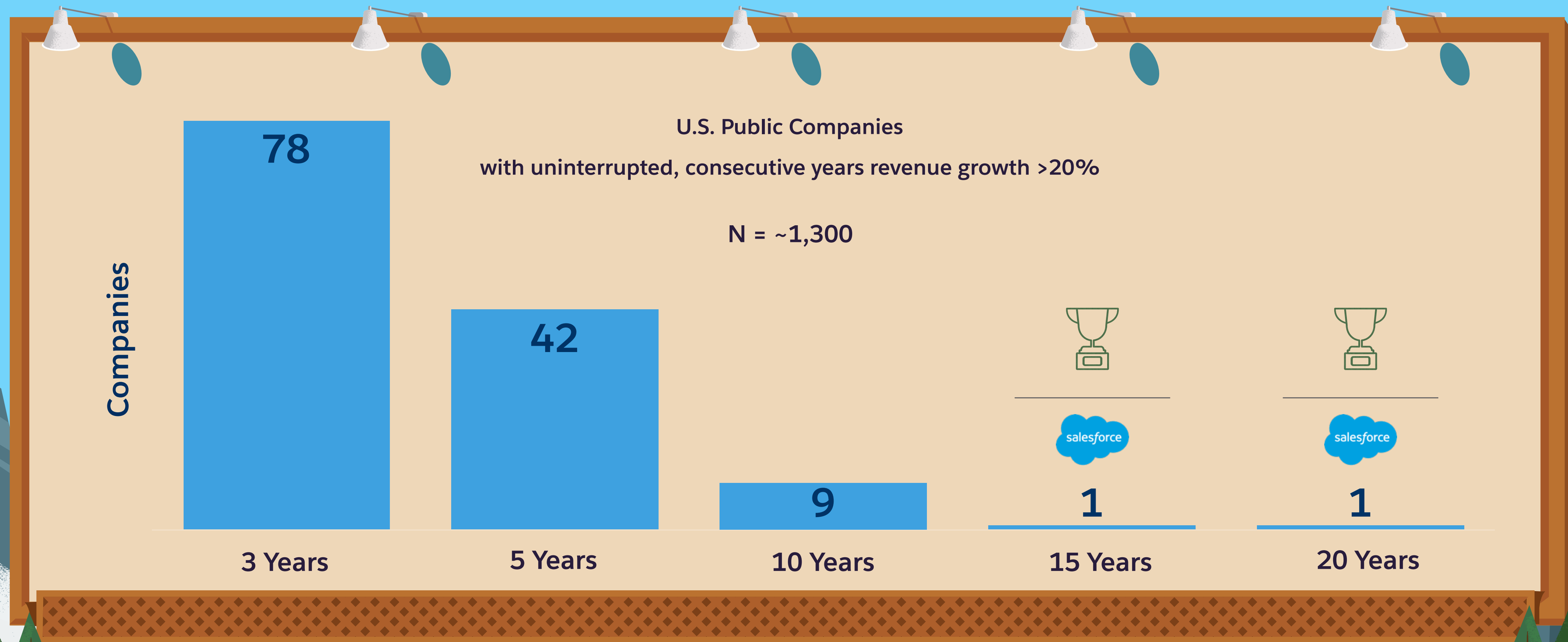


Note: Revenue prior to Q1 FY17 shown as reported (prior to adoption of ASC 606)
¹ Represents Q3 FY20 Revenue Guidance as of August 22nd 2019

20 Years of Growth

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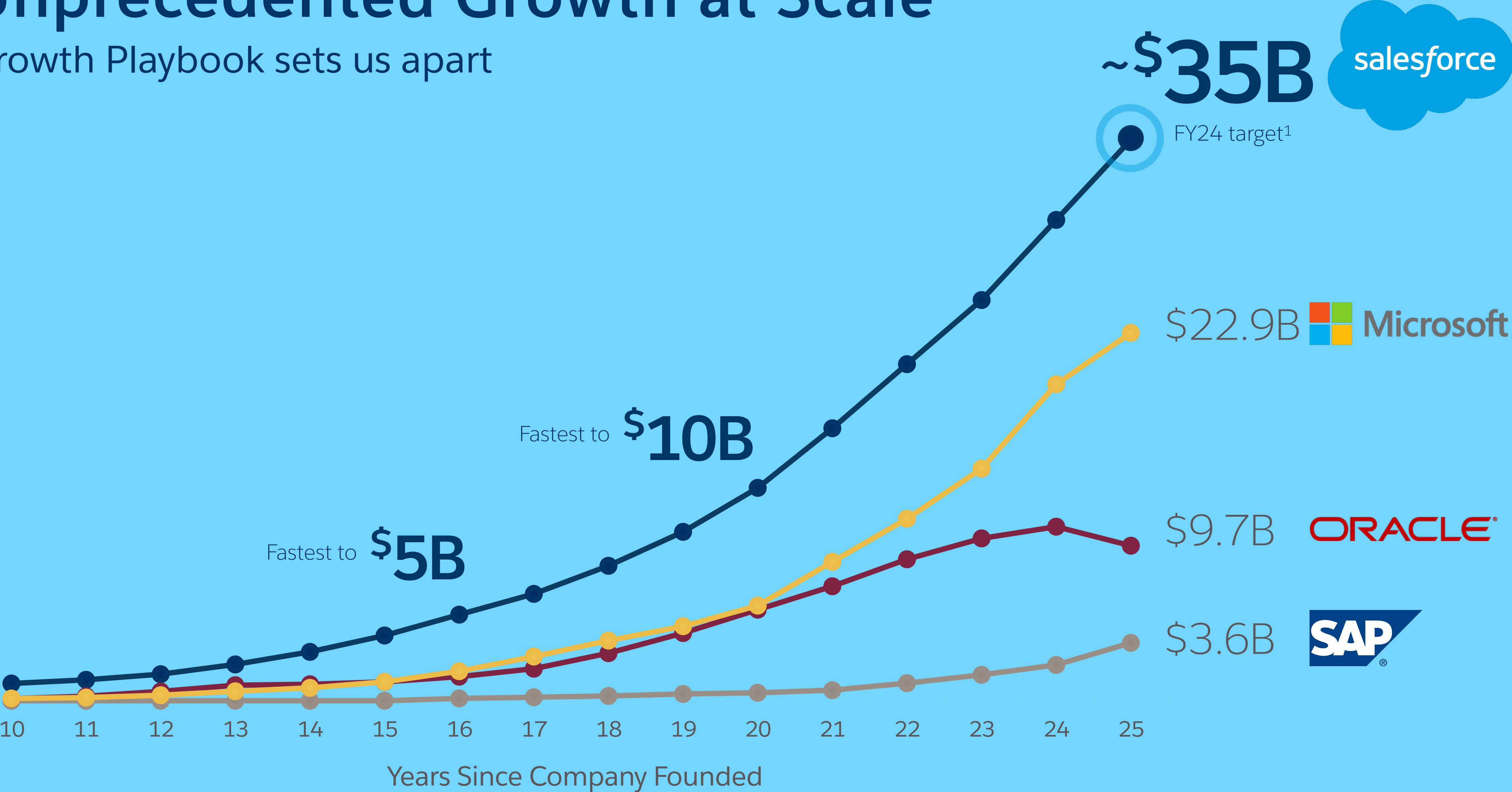
Very few companies sustain growth over the long term



Source: BofA Securities, CapIQ. Salesforce years include pre-IPO. Statistics capture U.S. publicly traded companies with 2019E Revenue >\$500mm.

Unprecedented Growth at Scale

Growth Playbook sets us apart



Note: Salesforce revenue of \$5.4B in FY15 and \$10.5B in FY19. Source for Microsoft, Oracle, and SAP revenues: FactSet.
¹FY20: High end of FY20 revenue guide of \$16.99B to \$17.00B as of November 20, 2019. FY21: High end of FY21 revenue guide of \$20.9B to \$21B as of November 20, 2019. FY24: Long range target for FY24 high end of range \$34B to \$35B as of November 20, 2019. Guidance excludes future M&A.



thank
you

BLAZE
YOUR
TRAIL

salesforce

Non-GAAP Financial Measures

This presentation includes information about non-GAAP income from operations, non-GAAP operating margin and free cash flow (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 operating margin is the proportion of non-GAAP income from operations as a percentage of GAAP revenue. Non-GAAP income from operations excludes the impact of the following items: stock-based compensation, and amortization of acquisition-related intangibles.

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.

GAAP to Non-GAAP Reconciliation



(in millions)	ASC 606		ASC605								
Non-GAAP income from operations	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
GAAP income (loss) from operations	\$535	\$454	\$64	\$115	-\$146	-\$286	-\$111	-\$35	\$97	\$115	\$64
Plus:											
Amortization of purchased intangibles	\$447	\$287	\$225	\$158	\$155	\$147	\$88	\$67	\$20	\$11	\$5
Stock-based expenses	\$1,283	\$997	\$820	\$594	\$565	\$503	\$379	\$229	\$120	\$89	\$77
Less:											
Operating lease termination resulting from											
purchase of 50 Fremont	\$0	\$0	\$0	-\$37	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-GAAP income from operations	\$2,265	\$1,738	\$1,110	\$830	\$574	\$364	\$357	\$261	\$238	\$215	\$146
As Margin %											
Total revenues	\$13,282	\$10,540	\$8,392	\$6,667	\$5,374	\$4,071	\$3,050	\$2,267	\$1,657	\$1,306	\$1,077
GAAP operating margin	4.03%	4.30%	0.80%	1.70%	-2.70%	-7.00%	-3.60%	-1.50%	5.90%	8.80%	5.90%
Non-GAAP operating margin	17.1%	16.5%	13.2%	12.4%	10.7%	8.9%	11.7%	11.5%	14.3%	16.5%	13.6%
Year-over-Year improvement	57 bps	326 bps	78 bps	177 bps	175 bps	-276 bps					
Components of free cash flow, a non-GAAP measure											
GAAP net cash provided by operating activities	\$3,398	\$2,738	\$2,162	\$1,672							
Capital expenditures	\$595	\$534	\$464	\$284							