

# **Salesforce, Inc. NYSE:CRM**

## **FQ3 2025 Earnings Call Transcripts**

**Tuesday, December 3, 2024 10:00 PM GMT**

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# Call Participants

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# Presentation

## Operator

Welcome to Salesforce's Fiscal 2025 Third Quarter Results Conference Call. [Operator Instructions] I would now like to hand the conference over to your speaker, Mike Spencer, Executive Vice President of Finance and Strategy and Investor Relations. Sir, you may begin.

## Michael Spencer

*Executive Vice President of Investor Relations*

Thanks, Regina. Good afternoon, and thanks for joining us today on our fiscal 2025 third quarter results conference call. Our press release, SEC filings and a replay of today's call can be found on our website. Joining me on the call today is Marc Benioff, Chair and CEO; Amy Weaver, President and Chief Financial Officer; and Brian Millham, President and Chief Operating Officer.

As a reminder, our commentary today will include non-GAAP measures. Reconciliations between our GAAP and non-GAAP results and guidance can be found in our earnings materials and press release. Some of our comments today may contain forward-looking statements that are subject to risks, uncertainties and assumptions which could change. Should any of these risks materialize or should our assumptions prove to be incorrect, actual company results could differ materially from these forward-looking statements. A description of these risks and uncertainties and assumptions and other factors that could affect our financial results is included in our SEC filings, including our most recent report on Forms 10-K, 10-Q and any other SEC filings. Except as required by law, we do not undertake any responsibility to update these forward-looking statements.

And with that, let me hand the call over to Marc.

## Marc R. Benioff

*Co-Founder, Chairman & CEO*

All right. Well, thanks so much, Mike. And I just really appreciate everybody being on the call today. We have so many exciting things to talk about and I hope you all had a great Thanksgiving. I'm incredibly excited about these results that we've delivered in the quarter and very strong performance across revenue, operating margin, cRPO and cash flow, but as I'm sure everybody knows on the quarter, these numbers are not what we're really excited about at Salesforce. And while the quarter numbers are fantastic, the real excitement is really what is hitting with the technology, and I'm really excited to talk to you about that. But before we do, let's do talk about that incredible financial transformation that we have undergone over the last few years. You're going to hear more from Brian and Amy about what we're doing to redefine success, delivering this kind of financial value for our customers, but achieving these incredible results. So this is about so much more than another great quarter. We're really at the edge of a revolutionary transformation. This is really the rise of digital labor.

Now for the last -- I would say for the last 25 years at Salesforce, and we've been helping companies to manage and share their information and you can see that across our whole product line and whether it's in sales or service or marketing or commerce, whether it's analytics, Slack, across the board, but now we've really created a whole new market, a new TAM, a TAM that is so much bigger and so much more exciting than the data management market that it's hard to get our head completely around. This is the market for digital labor. And Salesforce has become, right out of the gate here, the largest supplier of digital labor and this is just the beginning. And it's all powered by these autonomous AI agents. All of you know that this is fundamentally reshaping how businesses operate. It's fundamentally shaping how we operate our business and how we think about the industry itself and how you're thinking about the industry, how we're thinking about Salesforce. And with Salesforce, agent force, we're not just imagining this future. We're already delivering it. And you also know that in the last week of the quarter, Agentforce went production. We delivered 200 deals, and our pipeline is incredible for future transactions. We can talk about that with you on the call, but we've never seen anything like it. We don't know how to characterize it. This is really a moment where productivity is no longer tied to workforce growth, but through this intelligent technology that can be scaled without limits.

And Agentforce represents this next evolution of Salesforce. This is a platform now, Salesforce as a platform or AI agents work alongside humans in a digital workforce that amplifies and augments human capabilities and delivers with unrivaled speed, and you can see that I'm going to get into it. You go to [help.salesforce.com](https://help.salesforce.com), you can see we've unleashed that on our entire support organization already. We've created this incredible Agentic layer around the whole company. And this is just the beginning of a complete digital transformation for the world. On top of the Agentic layer, we'll soon see a robotic layer as well where these agents will manifest into robots.

And how all this is going to change society is only visible today in the movies or in our imaginations, but we can see it unfolding right here through this company, Salesforce. And that is what we are really excited about. These agents are not tools. They are becoming collaborators. They're working 24/7 to analyze data, make decisions, take action, and we can all start to picture this enterprise managing millions of customer interactions daily with Agentforce seamlessly resolving issues, processing transactions, anticipating customer needs, freeing up humans to focus on the strategic initiatives and building meaningful relationships. And this is going to evolve into customers that we have, whether it could be a large hospital or a large hotel where not only are the agents working 24/7, but robots are also working side-by-side with humans, robots manifestations of agents this idea that it's all happening before our eyes and that this isn't just some far-off future. It's happening right now.

And with Agentforce, we're unleashing this new era of digital labor for every business, in every industry. And the implications are just simply profound. For decades, economic growth dependent on expanding the human workforce. It was all about getting more labor. But with labor and with the labor force stagnating globally, Agentforce is unlocking a new path forward. It's a new level of growth for the world and for our GDP, and businesses no longer need to choose between scale and efficiency with agents, they can achieve both. And our customers are already experiencing this transformation. Agentforce is deflecting service cases and resolving issues, processing, qualifying leads, helping close more deals, creating optimizing marketing campaigns, all at an unprecedented scale, 24/7. We all saw this unfolding at Dreamforce in San Francisco. You were all there. I really appreciate you all coming and being with us. But I think what you saw and what was remarkable was the huge thirst that our customers had for this and how they built more than 10,000 agents in 3 days. And I think you know that we then unleashed a world tour of that program, and we have now built thousands and thousands of more agents in these world tours all over the world, giving our customers the ability to understand and get their hands on the technology and envision for their own companies what they're going to do. And now we're seeing this demand for Agentforce like, as I've said, just became available on October 24th, and we're already seeing this incredible velocity. More than 200 Agentforce deals just in Q3, it doesn't mean anything because the pipeline is in the thousands or potential transactions that are coming up in future quarters.

So companies like FedEx, Adecco, Accenture, Ace Hardware, IBM, RBC Wealth Management, and many more are now building their digital labor forces on the Salesforce platform with Agentforce. So that is the largest and most important companies in the world across all geographies, across all industries are now building and delivering agents. And Salesforce is unique as we are perhaps one of the only companies at scale in enterprise that is now delivering this globally.

We could not be more excited. We could not be more proud of our teams, our technology teams, our engineering teams, our product teams, our marketing teams, and our distribution teams who are getting this to market first. And look, we are not only prepared for this Agentforce feature, we're leading it for our customers and ourselves. And as you know, we pride ourselves on being customer zero for all of our products, and Agentforce is no exception. We're excited to share that Agentforce is now live on [help.salesforce.com](https://help.salesforce.com). I hope that you've all gone there and checked it out. And you might have also noticed that we have a test going on for our U.S. customers, where we put an agent at the front of our website as well to kind of see what that is like. This is an ungrounded agent, but it's really a vision for what the potential of what agents can be doing at every part of marketing.

Our help portal, [help.salesforce.com](https://help.salesforce.com), which is now live. This portal, this is our primary support mechanism for our customers. It lets them authenticate in, it then becomes grounded with the agent, and that Help portal already is handling 60 million sessions and more than 2 million support cases every year. Now that is 100% on Agentforce. It's going to have dramatic implications for our company from not only the technology point of view, but also from a human resource point of view, where we can really start to look at how are we going to rebalance our headcount into areas that now are fully automated, and 2, into areas that are critical for us to grow like distribution. I think you've all heard that we're trying to hire 1,000, 2,000 more salespeople because we see not only maximize our productivity of our current Salesforce over the last couple of years, but we just need to grow and expand to reflect this incredible distribution opportunity. It's a once-in-a-lifetime opportunity to really help customers achieve something they could never have done before. And while these legacy chatbots have handled these basic tasks like password resets and other basic mundane things, Agentforce is really unlocking an entirely new level of digital intelligence and operational efficiency at this incredible scale.

Now when you use [help.salesforce.com](https://help.salesforce.com), especially as authenticated users, as I mentioned, you're going to see this incredible level of accuracy and responsiveness and you're going to see remarkably low hallucinogenic performance whether for solving simple queries or navigating complex service issues because Agentforce is not just grounded in our Salesforce data and metadata including the repository of 740,000 documents and 17 languages, it's also grounded in each customer's data, their purchases, returns, that data it's that 200 petabytes or through 200 to 300 petabytes of Salesforce data that we have, that gives us this kind of, I would say, almost unfair advantage with Agentforce because our agents are going to be more accurate in the least hallucinogenic of any because they have access to this incredible capability.

And Agentforce can instantly reason over this vast amounts of data, deliver precise personalized answers with citations in seconds, and Agentforce can seamlessly hand off to support engineers, delivering them complete summary and recommendation as well. And you can all try this today. This isn't some fantasy land future idea, this is today reality. And I just want to compare and contrast that against other companies who say they are doing enterprise AI. You can look at even Microsoft. We all know about Copilot, it's been out, it's been touted now for a couple of years. We've heard about Copilot. We've seen the demo. In many ways, it's just repackaged ChatGPT. You can really see the difference where Salesforce now can operate its company on our platform. And I don't think you're going to find that on Microsoft's website, are you? I know many of you are specialists in Microsoft, go ahead and try to find this running on microsoft.com, and I'll be looking forward to getting your responses.

Look, we expect that our own transformation with Agentforce on help.salesforce.com and in many other areas of our company, it is going to deflect between a quarter and a half of our annual case volume and in optimistic cases, probably much, much more of that. Agentforce is going to deliver the same unprecedented accuracy, speed and cost savings to our customers.

Now when we look at customers that are starting to implement this today, there's a lot of great examples. One of them is the smart home security provider, Vivint. They've struggled with this high volume of support calls, a high churn rate for service reps. It's a common story. But now using the Agentforce, Vivint has created a digital support staff to autonomously provide support through their app, their website, troubleshooting, a broad variety of issues across all their customer touch points. And in addition, Vivint is planning to utilize Agentforce to further automate technician scheduling, payment request, proactive issue resolution, the use of device telemetry because Agentforce is across the entire Salesforce product line and including Slack.

So now here's another great customer example that's already incredible to work. They've already done to get this running and going in their company Adecco, the world's leading provider of talent solutions, handling 300 million job applications annually, but historically, they have just not been able to go through or respond in a timely way, of course, to the vast majority of applications that they're gating, but now the Agentforce is going to operate an incredible scale, sorting through the millions of resumes, 24/7 matching candidates to opportunities proactively prequalifying them for recruiters. And in addition, Agentforce can also assess candidates helping them to refine their resumes, giving them a better chance of qualifying for a role.

Now listen, we have been talking on these earnings calls for, I don't know, more than a year, maybe 2 years, why Salesforce has an unfair advantage in AI? I think we took one earnings call just to talk about the power of data and what the power of data meant for Salesforce. Now you're really seeing that get manifested right into the customer themselves in getting that value. We are not just delivering the philosophy anymore, we're really showing you that, yes, Salesforce is already the largest supplier of enterprise AI in the world, 2 trillion Einstein transactions a week, no one is delivering this level of enterprise AI that we are. But now we're not just delivering that Einstein transaction, we're delivering these incredible Agentforce capabilities as well. This is a bold leap into the future of work where AI agents with humans unite to transform all of our customer interactions.

Another powerful example is a nonprofit, College Possible. College possible matches eligible students with counselors to help them navigate and become ready for college. And in California, for example, the statewide average stands at slightly over 1 counselor for every 500 students. It just isn't enough. Where are we going to get all that labor? Well, we know whether we're going to get that labor, we're going to get it from Agentforce. This means the vast majority of students are not getting the help they need, and now they are going to get the help they need. Colleges Possible creates a virtual counselor built on Agentforce under a week, they already had all the data. They have the metadata. They already knew the students. They already had all of the capabilities built into their whole Salesforce application. It was just a flip of a switch. I mean you have to think about that for just a second. We have 135,000 customers and those 135,000 customers have now been endowed with Agentforce. It's in every single one of those implementations today. It's just a switch that needs to get flipped on. And our job is to motivate, to excite, to inspire our customers to turn that switch on right now.

And when you look at College Possible, yes, it's very exciting. Any high school student will have access to this college counselor that knows about their goals, their transcripts, all the information on the colleges that can deliver this highly precise experience for them. But why? It's because all of the work and the data and the capability that College Possible has put into Salesforce over the years and years that they had it. It's not the week that it took to get them to turn it on. They have done a lot of work. And when you look at those 135,000 customers that we have, they have so much work in the Salesforce to organize and get all that data and workflow ready and now they can just turn those agents on. Now we're working with across all kinds of industries to do so many different and exciting areas. We could go on and on and on.

Now over the last few years, we've really aggressively invested in integrating all of our apps on a single core platform with shared services for security, workflow, user interfaces, and more. We've been rewriting all of our acquisitions into that common area. We're really looking at how do we take all of our applications and all of our acquisitions, everything and delivered into one consistent platform, we call that more Core internally inside Salesforce. And when you look at that more Core initiative, I don't think there's

anyone who delivers this comprehensive platform: Sales, service, marketing, commerce, analytics, Slack, all of it as one piece of code. And then now deeply integrated in that 1 piece of code is also our data cloud. That is a key part of our strategy, which continues to have this phenomenal momentum as well to help customers unify and federate with zero-copy data access across all their data and metadata, which is crucial for AI to work.

And now that third layer is really opening up for us, which is this agentic layer. We have built this agentic layer that takes advantage of all the investments in Salesforce for our customers and made it in our platform. It's really these 3 layers. And in these 3 layers that form a complete AI system for enterprises and really uniquely differentiate Salesforce, uniquely differentiate Agentforce from every other AI platform that this is one piece of code. This isn't like 3 systems. It's not a bunch of different apps all running independently. This is all one piece of code. That's why it works so well, by the way, because it is 1 platform. And we understand that this extraordinary technology is -- also require us to have some kind of extraordinary responsibility. That Salesforce trust is our #1 value. It's never been more critical, especially with this pioneering new technology. We're committed to building Agentforce with accountability and fairness and transparency at the core, and we've been focusing on empowering our customers and partners to also navigate this era, equipping them with the tool skills and education of thrive in an AI-driven economy. You know that because you've heard so many presentations and thoughts on this that we've put together with our team and because we -- obviously, this is just our latest moment in AI.

So the transformation is not without challenges. Jobs are going to evolve, roles are going to shift, and businesses will need to adapt. And listen, at Salesforce, jobs are going to evolve and roles will shift and businesses will need to adapt as well. We're all going to need to rebalance our workforce. This is the agents take on more of the workforce. And then we can rebalance and reshape our companies into new ways. History has shown us that with every disruption comes an explosion of new opportunities. This morning, I was on the phone with one of our large customers, and they were telling me how they're targeting inside their company, 25% more efficiency with artificial intelligence, incredible goal. This is an incredible moment. Entire industries are going to emerge, fueled by innovation and creativity of people using Agentforce to solve challenges to reach new heights. It's just the beginning of a level of innovation and change that none of us have really ever seen. It's a radical expansion of our total addressable market. And it's really the beginning of a change that we're going to see that's including agents. It's going to include robots. That's going to include the use of the data and the metadata and all the technology that we've been pioneering now for the last several decades.

This is more than a technological revolution. It's an opportunity to create a better future for all of us. And at Salesforce, we believe, business is the greatest platform for change. And with Agentforce, we're leading the way into a new horizon of digital labor. We're excited to take this vision for deploying a digital labor force for every organization even further. And you're going to -- now, and this is incredible, even to be able to say this because we just introduced Agentforce in October, but I want to invite all of you to join us for the launch of Agentforce 2.0. And it is incredible what you are going to see the advancements in the technology already are amazing and accuracy and the ability to deliver even additional value. And we hope that you're going to join us in San Francisco. This is going to happen on December 17. You'll see Agentforce 2.0 for the first time, and you're not going to believe it, you're not going to want to miss it. And now over to Brian.

**Brian Millham**  
*President & COO*

Thanks, Marc. Really appreciate it. I've been at Salesforce almost as long as Marc and Parker, and this is the most exciting time in my career. As a company, we redefined enterprise software with cloud and social, and mobile and predictive AI over the past 25 years and now we're doing it again with Agentforce. As Marc said, this is the beginning of a revolutionary transformation that will fundamentally redefine how we work and how work gets done.

Our strong results in the quarter reflect the trust our customers, partners and stakeholders have in the Salesforce to lead them into this new agent-first world. We made great progress in the quarter against Salesforce growth pillars, first and foremost with Agentforce and Data Cloud but also with our multi-cloud deals, international expansion, industry solutions and our ecosystem. Agentforce will enable companies to achieve a new era of abundance with more efficiency, more productivity, even stronger customer relationships, higher margins and higher revenues across every industry. It's a new technology model and a new business model, and we built a complete agent-first platform for customers that will save them millions of dollars and provide them with limitless workforces to drive greater value.

Companies like reMarkable and Wiley are already seeing incredible results. Wiley, an early adopter, is resolving cases over 40% faster with Agentforce than their previous chat bot. Heathrow Airport, one of the busiest airports in the world, will be able to respond to thousands of travelers inquiries instantly, accurately and simultaneously. SharkNinja, a new logo in the quarter, chose Agentforce and Commerce Cloud to deliver 24/7 personalized support for customers across 28 international markets and unifying its service operations.

Our customer success with Agentforce and our AI solutions is driving strong results. In Q3, the number of wins greater than \$1 million with AI more than tripled year-over-year. And we signed more than 2,000 AI deals, including more than the 200 Agentforce wins that Marc shared. To capture this increased demand for Agentforce, we're hiring 1,400 AEs globally in our fourth quarter, and we're also using new sales SDR agent and sales coaching agent to augment every seller.

We're also seeing amazing Agentforce energy across the ecosystem with our global partners involved in 75% of our Q3 Agentforce deals and 9 of our top 10 wins in the quarter. Over 80,000 system integrators have completed Agentforce training and hundreds of ISVs and technology partners are building and selling agents. And our partners are also becoming agent-first enterprises themselves. In the quarter, Accenture chose Agentforce to streamline sales operations and enhance bid management for its 52,000 global sellers. By integrating sales coach and custom AI agents, Agentforce is improving deal quality and targeting a 75% boost in bid coverage.

We see an incredible future with Agentforce, not only for our customers, but also for us. As customer 0, we can leverage Agentforce ourselves to realize the benefits of digital labor for us to amplify and augment our human workforce. Marc talked about how we reimagine Salesforce customer service with Agentforce. We're also deploying Agentforce to engage our prospects on salesforce.com, answering their questions 24/7 as well as handing them off to our SDR team. You can see it for yourself and test it out on our home page.

We'll use our new Agentforce SDR agent to further automate top of funnel activities when gathering leads, lead data for providing education and qualifying prospects and booking meetings. Initiatives like this and many others mean Salesforce will become a new lever for productivity, growth and efficiency for Salesforce, which should save millions of hours and free up hundreds of millions of dollars to reinvest into our strategic growth initiatives.

Become an agent-first enterprise starts with having unified data. That's why we continue to see amazing momentum with Data Cloud, which was included in 8 of our top 10 wins in the quarter. Today, 25% of the Fortune 100 are Data Cloud customers. Marc mentioned the Adecco Group, they're centralizing more than 40 instances and legacy systems with Data Cloud to build a foundation to implement Agentforce at scale. Usage is a key indicator for our products' value to our customers, and our customers are now processing 767 trillion records every month. Indeed, the world's leading job site hires 3 people every second on its platform. Using Data Cloud as its go-to-market data architecture, Indeed matches 580 million job seeker profiles with over 3 million employers. With Agentforce, Indeed aims to have time to hire and help 3 million people overcome employment barriers by 2030.

IBM, one of our valued strategic partners, selected Data Cloud in the quarter to enhance their global client service with a unified view of all client interactions and actionable usage insight they can deliver even more efficient personalized experiences.

Proprietary unstructured data is a powerful fuel for AI, and we're excited that we were able to close the acquisition of Zoomin to accelerate and unlock the unstructured data to power AI agents, making them more personalized and context aware for every customer interaction. We also finalized our acquisition of the Own Company. Own's data management capabilities complement our existing offerings and will strengthen data security, privacy and compliance across our platform.

As Marc described, Agentforce is a game changer for our core products, enabling customers to leverage AI-powered insights and actions directly in the flow of work across our entire product portfolio. This is evidenced by the strong demand for Sales Cloud and Service Cloud, both of which to achieve double-digit growth in Q3. We also just wrapped up another incredible Cyber Week during which Commerce Cloud powered close to 50 million orders on digital storefronts with nearly 100% uptime.

Salesforce powered nearly 60 billion AI-powered product recommendations, a 21% increase year-over-year and over 56 billion marketing messages were sent via Marketing Cloud. Service Cloud also helped our customers field and resolve 3.8 billion cases. Clearly, the scale, reliability, intelligence of our integrated platform is unmatched. And we continue to see solid momentum with Slack with wins at Capital One, Snap, Rivian and Volkswagen Group Technology. Annual spend on Slack AI grew nearly 50% quarter-over-quarter and Slack was included in more than 1/3 of our deals greater than \$1 million. Since the release of Slack AI, our customers have summarized over 600 million messages, saving them a collective 1.1 million hours.

Tableau and MuleSoft continue to be foundational and fundamental to our customers' transformations. In the quarter, Tableau had wins at Allegion, Sirius XM and Hitachi, and MuleSoft headwinds at Northwell Health, 3M and [ cover ] Optima Health. Our industry clouds continue to fuel our growth with strong demand in highly regulated industries like health care, notably our new agent-first Life Science Cloud was in 3 of our top 10 deals in the quarter. We also saw strong momentum internationally with wins at BrennTag and Finnair. Once again, half of our top 10 wins for the quarter were international.

We continue to unlock customer spend through new channels, including the Agentforce partner network that launched at Dreamforce, which allows customers to customize and deploy specialized agents using trusted third-party extensions from Salesforce



AppExchange. And AWS Marketplace continues to be a growth driver. Our Q3 transactions doubled quarter-over-quarter with 10 deals exceeding \$1 million.

Salesforce's business and financial performance has delivered unprecedented results and we're doing it again with our product transformation and Agentforce. We're starting Q4 with strong momentum and no 1 is better positioned to capture the massive Agentforce opportunity ahead.

Now over to you, Amy.

**Amy E. Weaver**  
*President & CFO*

Great. Thanks, Brian. As you heard from Marc and Brian, we are incredibly excited about the opportunity ahead with Agentforce. Simply put, Salesforce is uniquely positioned to become the leading enterprise AI platform and the source of a digital workforce for companies around the globe. And as customer 0 for Agentforce, we're already seeing a significant pickup in case deflection for our customer service organizations. This is just the beginning of a new world of humans and AI agents working together to fundamentally reshape the economics of business. As Marc mentioned, we have been on the financial transformation over the past several years, and you'll see it in our results.

Q3 represents another quarter of focused execution leading to strong outcomes. Q3 revenue was \$9.44 billion, up 8% year-over-year in nominal and constant currency, driven by resilience in our core clouds. Subscription and support revenue grew 9% year-over-year in nominal and constant currency, led by another quarter of double-digit growth in both sales and service, driven by strong ARPU growth. As expected, this was partially offset by deceleration in our license revenue growth in MuleSoft and Tableau in Q3 on tough prior year compares.

From a geographic perspective, Americas revenue grew 6% in nominal and constant currency, EMEA grew 12% or 9% in constant currency, and APAC grew 16% or 14% in constant currency. We saw strong new business growth in LATAM, Canada and Australia, while the United States and parts of EMEA remained constrained.

From an industry perspective, in Q3, health and life sciences, manufacturing and automotive and energy all performed well. Both retail and consumer goods were more measured.

Our multi-cloud momentum continues with our top 25 deals averaging more than 5 clouds each. Now you hear us talk about this metric every quarter. It's an incredible proof point that our customers trust Salesforce to transform their entire customer experience from sales to service to marketing and commerce to analytics and integration, but our multi-cloud strategy is also core to our financial strategy. Multi-cloud customers have higher spend, lower attrition rates and drive significant ARR expansion for us each quarter. That's because Salesforce is the only company that can deliver a 360-degree view of your customers, which is essential for every company as we move into an agent-first world.

Data Cloud also continues to be the foundation for every AI transformation, and it was included in 1/3 of all of our deals this quarter over \$1 million. As you heard from Brian, Data Cloud helps unlock AI within our customers. And that's why 8 of our top 10 deals included both Data Cloud and AI, inclusive of Agentforce. This is really the model for all future transactions.

Q3 revenue attrition ended the quarter slightly above 8%, in line with recent quarters. Q3 non-GAAP operating margin was 33.1%, up 190 basis points year-over-year, driven by top line outperformance and disciplined expense management.

And I am very pleased to share that this quarter, our GAAP operating margin hit 20% for the first time in company history. Q3 non-GAAP EPS was \$2.41, inclusive of \$0.18 charge driven by mark-to-market adjustments of our strategic investment portfolio. Excluding this impact, non-GAAP EPS would have been \$2.59, well ahead of our guidance. Q3 operating cash flow was \$2 billion, up 29% year-over-year. Q3 free cash flow was \$1.8 billion, up 30% year-over-year.

Turning to remaining performance obligation. RPO, which represents all future revenue under contract, ended Q3 at \$53.1 billion, up 10% year-over-year. Current RPO, or cRPO, added at \$26.4 billion, an increase of slightly more than 10% year-over-year in nominal currency. This includes a \$100 million FX tailwind, which results in 10% year-over-year growth in constant currency. cRPO outperformance was driven by early renewable favorability and strong new bookings performance. Of note, on the bookings performance, over the past couple of quarters, we have seen stabilization in our transactional businesses, most notably, create and close and SMB.

One call out on the Q3 cRPO results. As you heard from Marc, Agentforce momentum in Q3 was incredible, with over 200 deals closed in only 1 week. However, given we are early in our adoption cycle, it is not yet a material contributor to cRPO.

On capital return, in Q3, we executed \$1.2 billion in share repurchases and paid nearly \$400 million in dividends. This brings our total return to shareholders in the quarter to \$1.6 billion. Through our capital return program, we continue to expect to more than fully offset dilution from our FY '25 stock-based compensation. And I'm pleased to share that since its inception of our capital allocation program, total capital returns have now surpassed \$20 billion.

Now let's turn to guidance. Note that, after the end of our third quarter, we closed our acquisitions of the Own Company and Zoomin. As such, our guidance incorporates contributions from both these deals.

Let's start with the full fiscal year '25. On revenue, we are raising the low end of our guidance range to \$37.8 billion and maintaining the high end at \$38 billion, growth of approximately 8% to 9% year-over-year, reflecting the strong execution and revenue outperformance over the last 2 quarters. For subscription and support revenue, we still expect approximately 10% growth year-over-year in constant currency.

A few reminders on our revenue guide. On FX, our revenue guidance continues to incorporate a \$100 million FX headwinds year-over-year or a 30 basis point impact. We continue to expect our professional services business to be a headwind to revenue growth. And as we shared last quarter, our guidance incorporates deceleration in our license revenue growth in the back half of this year. On attrition, we expect attrition to remain consistent at slightly above 8% for the full year.

Now turning to profitability and cash flow. On margins, we are pleased to raise our fiscal year '25 non-GAAP operating margin guidance to 32.9%, representing a 240 basis point improvement year-over-year. This incorporates intentional investments in growth opportunities, most notably in Agentforce and Data Cloud.

As we said last quarter, stock-based compensation is still expected to be approximately 8.4% as a percent of revenue. For fiscal year '25, GAAP operating margin guidance continues to be slightly below 20%, representing 540 basis points of improvement year-over-year. We expect fiscal year '25 GAAP diluted EPS of \$6.15 to \$6.20. Non-GAAP diluted EPS is expected to be \$9.98 to \$10.03. We are raising our fiscal year '25 operating cash flow growth to approximately 24% to 26%, inclusive of cash tax headwinds, and we continue to expect CapEx for the fiscal year to be slightly below 2% of revenue. This now results in free cash flow growth of approximately 26% to 28% for the fiscal year.

Now the guidance for Q4. On revenue, we expect \$9.9 billion to \$10.1 billion, up 7% to 9% year-over-year in nominal and constant currency. cRPO growth for Q4 is expected to be approximately 9% year-over-year in nominal, including \$100 million FX headwind and slightly above 9% in constant currency. Similar to Q3, we do not expect a material contribution to cRPO from Q4 Agentforce related bookings. For Q4, we expect GAAP EPS of \$1.55 to \$1.60, and non-GAAP EPS of \$2.57 to \$2.62.

In closing, I am very pleased with our strong execution this quarter, and we remain focused on driving profitable growth, optimizing free cash flow and delivering a new era of customer success with Agentforce, which truly represents the next evolution of Salesforce.

Now Mike, let's open up the call for questions.

**Michael Spencer**

*Executive Vice President of Investor Relations*

Thanks, Amy. As a courtesy to everyone on the call, we ask that everyone only ask one question, please. With that Regina, let's go to the first question, please.

# Question and Answer

## Operator

Our first question comes from the line of Brent Thill with Jefferies.

### **Brent John Thill**

*Jefferies LLC, Research Division*

Marc, on Agentforce, I'm curious if you could just talk about the halo effect you're starting to see across the product lines, perhaps some of the other products getting pulled in. You mentioned Data Cloud, can you speak to what you're seeing from that?

### **Marc R. Benioff**

*Co-Founder, Chairman & CEO*

Brent, thanks. It's a great question. And Amy really hit a very subtle line in the middle of her script, and it probably requires a little more illumination, which is Amy really said to you that in our top 25 deals, we saw this kind of collaboration with these 5 clouds each. And what that means to us is that our top customers are really loading in this complete agent-first cocktail. And this idea that we have sales, we have service, we have marketing, we have analytics, we have our Data Cloud, we have Slack. And every customer wants these products and wants them together. We have an incredible sales cloud, #1 in the world, you know that. And it is the only agent-first Sales Cloud today is highly differentiated. We have the #1 service cloud in the world. The Gartner just published the new Magic Quadrant. We're #1, way up and to the right. And we guess what we are now part of their up and to the right because we're the only agent-first service cloud, marketing cloud, analytics, data, Slack across the board.

And I'll tell you a story, which is we have an incredible customer in the health care industry and the recently called me in there. They were thinking about how are they going to deploy these agents and on and on and on, and it's a huge opportunity for health care, and I can talk to you exhaustively all about that. But we gave them a whole pitch, went through the whole thing. And then the next day, they called us back and they said, we really want to talk to you now about our Marketing Cloud Choice. And we're looking at Adobe and how should we think about that? And I'm like, wow, we really probably should bring in our team and show you what we're doing, but it's really -- you have to look at the whole platform that we can do because, yes, we have an incredible marketing cloud and incredible e-mail capabilities and promotion capabilities and on and on and deeply integrated into our workflow, but take a look how it operates across all of your customer channels and all of your customer touch points and how this is 1 comprehensive customer suite and it's all agent-first. And then he sent me a text, and that's a very large customer, and said, of course, we are going with you on the marketing as well. Because I think when customers realize that they are going to build agent-first companies that the agent needs to have a comprehensive access to this entire data set and metadata set that we are the only ones who have built this platform. Nobody else has a comprehensive platform that does sales, service, marketing, analytics, data cloud, Slack, all integrated together as 1 piece of code and operating across all languages, all currencies and can scale from the smallest companies to the very largest in the world. And that is what is unique about Salesforce. And we have something very special right now because -- and you know, Brent, because you've been covering this for a long time, we always have the best enterprise AI and our Einstein is the best. We've been working on that for more than a decade. So of course, we were able to put it into overdrive and deliver agents first. But because it's within the platform, everything is in the platform. This isn't some distinct discrete piece of code, it's just another light switch on for the customer to get the full level of functionality.

So I couldn't be more excited about it. I'm sure it's coming through on the call. I really think that for all of us, you think about, Brent, how long we've been working together for decades before I started Salesforce. And you think about the conversation we just had on this earnings call, is unlike any conversation you and I have ever had about software. We are all about to learn and grow and expand and evolve and become a different kind of industry that's providing a different kind of value and this is the most excited I've ever been about the software industry.

## Operator

Your next question comes from the line of Keith Weiss with Morgan Stanley.

### **Keith Weiss**

*Morgan Stanley, Research Division*

I definitely hear the excitement coming through on the call. Maybe a question for Brian. When it comes to those 200 deals that you've already signed for Agentforce, maybe you could give us some color on what those deals look like? Do they tend to be upsells? What

type of uplift do you see if you're upselling to customers? Do they tend towards like 1 cloud or another? How expansive are there? Any kind of color that we can use to try to kind of understand this opportunity better?

**Brian Millham**  
*President & COO*

Keith, thank you for the question and a good one. We are seeing incredible traction with our customers as add-ons to many of our Service Cloud offerings. Obviously, Service Cloud is our largest cloud, and our initial Agentforce opportunity is with our Service Cloud customers right now, and we saw a ton of add-ons happening in our customer base with Service Cloud. But what our customers also recognize is that this is a platform and the opportunity to move from, yes, of course, we want to have autonomous agents that are supporting customers like we have on help.salesforce.com, but what are all the opportunities you have in your interactions and the flow of work with your customers where you can deploy agents. And so while we have tremendous excitement and the initial 200 deals were largely in the Service Cloud space, we feel great about the opportunity with Sales Cloud and with Marketing Cloud and with Commerce Cloud and of course, with Data Cloud, which is included in all of our Agentforce deals. And so those 200 deals sort of tip of the iceberg when we think about the opportunity that's ahead of us for Agentforce.

**Operator**

Your next question comes from the line of Raimo Lenschow with Barclays.

**Raimo Lenschow**  
*Barclays Bank PLC, Research Division*

Perfect. You're obviously creating a lot of value for your clients. Like how is the discussion about how you kind of participate or work with the clients about pricing for Agentforce going? Or like how should we think about it? What are you hearing there?

**Brian Millham**  
*President & COO*

Raimo, thanks for the question. I'll start, and I think Marc is probably going to chime in as well. But we're super excited about. And I would say, as you all know, it's a usage-based structure. And at \$2 a conversation, we feel like the value is very high for our customers, given what they're spending today in a lot of their conversations...

**Marc R. Benioff**  
*Co-Founder, Chairman & CEO*

Everybody knows I've been wearing a boot because I ruptured my Achilles while I was on a scuba-diving trip to Fakarava, which is an incredible place in the Tuamotu in French Polynesia for my birthday, had I was having a great time, ruptured my Achilles, unfortunately. And I'm sure we all know the international motto of Fakarava, which I have close to my heart, which is, "I don't give a Fakarava." So I think that I just got a call from my hospital telling me that I'm coming in to get scheduled for another MRI and incredible service. Everybody knows I have this great relationship with UCSF, and they pay a lot of attention to me, I pay a lot of attention to them, incredible organization, and they had a lot of questions for me about getting me ready for my next MRI.

And at the end of the call and this kind of preoperative care and then another call postoperative and so forth. And I was just saying to myself, "Wow, what did that cost them?" And they just don't have enough people as it is. Their doctors are already burned out. Their nurses are burnt out. I talked to the folks all the time. There's a lot of pajama time for all these doctors is what they call it because they're all working late at night with their families, trying to get through all of their messages. Everybody is maxed out at UCSF. I mean it's an incredible org, but I can't believe the amount that they have to do with such actually limited workforce.

And then when I got this call, I said, you know, they kind of know all of this already about me. They've got all of my data. They have all of my care. They have my family history. They've got all my scans, they can have an agent do this work, and that call probably cost them \$100. And it didn't have to happen. And I think that we could have done the call were probably about \$1.50. And I think that, that is the message to our customers, which is -- how are you going to give so many people a break, let them get back to their strategic work, let them focus on what really matters to their customers. And some of the work that's a little bit more administrative and bureaucratic and political that's done by these political layers or higher levels, that's like, you know what, I think that, that could have happened with an agent. And that's kind of how I look at it. And I think we're just at an incredible moment where we can really grow our country's revenue or GDP, do a lot more, have a lot more productivity without hiring a lot more people. And the hospital example is the best example.

And consumption pricing isn't new to Salesforce. You all know that we have our Sandboxes and our Commerce Scout and Heroku and Data Cloud and many, many, but this is a consumption product. We have per user products, which are for humans. We have consumption products for agents and robots. And that's how I think we should look at it, which is the comparative costs is there's just no comparison.

And do you want to add more to that, Brian?

**Brian Millham**  
*President & COO*

I'd just say our customers really understand the cost of their labor right now. And when we can deploy agents to help them manage their interactions with their customers, the pricing conversations are significantly easier. And so you can even see it on our website. We've got calculators that allow our customers to go do the work themselves, and it's been a great add for them to go understand what the cost structures look like, and it's been an enlightenment for many of our customers to see the value that we can deliver for them with Agentforce.

**Operator**

Our next question comes from the line of Brad Zelnick with Deutsche Bank.

**Brad Alan Zelnick**  
*Deutsche Bank AG, Research Division*

Marc, I wanted to ask about the more Core initiative that you mentioned in your remarks. It would seem further integrating the platform can only be a good thing for customers. Can you talk more about what's involved and the size of the price as you come out the other side of this initiative?

**Marc R. Benioff**  
*Co-Founder, Chairman & CEO*

Well, we have been working on this now for a couple of years, really since we started our transformation, which I think maybe this call is the 2-year anniversary of our transformation. Is that right, Amy? I mean it was about 2 years ago that we were like, woah, we're about to go through an incredible transformation. And I think we would not have gotten through that transformation without the support of all of you. And I think you know that you gave us a lot of the advice and thinking and strategy to do that, and it's been an incredible 24 months. It's been a financial transformation and it's been a technology transformation.

And now when we really think about what are the things that we really invested in, we really tried to look at how do we try to make our organization stronger to be able to deliver the numbers that we want to be able to do and we want to expand our distribution organization. That's something that we wish we had done faster. We're still not where we want to be there. I would say where we've made very significant investments were in AI, and I think that's evidenced by Agentforce, and we also made very significant investments in more Core. We've dramatically increased not only the productivity but also the number of engineers in the company over the last 2 years as well. That's been an incredible focus for us. That's why we're able to deliver this technology capability.

And when we look at the company, I would say more Core has come out of it. So at Dreamforce, you saw how commerce and marketing, for example, which always had been outside of the core platform are now inside the core platform. And the idea that we want sales, service, marketing, analytics, data cloud, Slack, all to be in 1 platform. And that is because we want all of the workflow, the data, the metadata, all to be in one platform. And the reason why is because the AI does not work if you don't have that. The AI needs this ability to look across these huge data sets and capabilities to kind of pull it all together because you can imagine that I'm on the phone with UCSF, and I'm talking now to the agent at some point in the future instead of talking to the person who I spoke to today and they say, you still owe \$500 on that last visit, which is not uncommon for me. There's some additional fee or something that I have to pay. And I'll say, yes, go ahead and process that. And that's all just happens on our platform.

So the commerce can happen on the platform, the confirming the e-mail can happen on the platform, the case management can happen on the platform, the patient relationship management can happen on the platform, and it can happen by industry, it can happen by geography, it can be happen by currency. And that is what's really, I think, unique about Salesforce and it's not just that we're delivering this agent-first solution, it's the comprehensive functionality set underneath there that's all possible.

**Operator**

Our next question comes from the line of Brent Bracelin with Piper Sandler.

**Brent Alan Bracelin***Piper Sandler & Co., Research Division*

I wanted to ask about the new foundations offering. This seems like a new strategic approach to multi-cloud packaging that could also drive broader agent adoption. What's been customer response to foundation so far? And do you have any sense on what adoption might look like in the coming year?

**Marc R. Benioff***Co-Founder, Chairman & CEO*

I think that foundation -- and when you look at other initiatives that we have, and this is all coming out of more Core. So when you look at Essentials, when you look at our focus on the SMB market, when you look at kind of you're seeing the fundamental rewriting of the product in real time. It is a little bit like we are flying the airplane and rebuilding it in real time. I would joke with my team 2 years ago what happened was we were flying the airplane, we found out the 2 pilots were gone in the front and 1 person at the parachute jumped out of plane. And we were all left on the plane, and we were on the phone with all of you going, well, we're going to put it all together and just trust us, we're going to get this done. And while we've been doing that, not only do we land the plane successfully, but we rebuilt the whole airplane in real time. And that idea that the platform itself has been rebuilt. And it's pretty incredible. Foundations is really a glimpse at what's happening. It's the same code set, but you can see how Foundations is kind of a whole different way to use Salesforce, and we're making as much of our functionality available to all of our customers as possible. So we're shipping foundations so that every customer can get a taste of sales and service and marketing and analytics and Data Cloud and Slack.

And everything that we have because we realize -- and I'll include 1 thing I didn't mention is platform. So it's very important that these customers see that they don't have to go buy another best-of-breed product, they can just flip the switch and everything comes on. And that is working, and we still have a lot of work to do to educate our customers on all the capabilities that we have. Still a lot of our Sales Cloud customers don't have Service Cloud and a lot of our Service Cloud customers don't have Sales Cloud, and that's true of Marketing Cloud, I could go to each 1 of these clouds because in some ways, we've been selling a lot of these clouds in their own silos, so they've built on their own customer bases. And we have a lot of customers, and we have a lot of software to sell to a lot of people, but it's an exciting moment because we're so highly differentiated.

**Operator**

Our final question comes from the line of Kirk Materne with Evercore ISI.

**Kirk Materne***Evercore ISI Institutional Equities, Research Division*

Congrats on the quarter and great to hear all the excitement around Agentforce off the launch. Brian, this is probably for you. I was just curious and dovetails back into some earlier comments. Really strong attach with Data Cloud thus far. I was just kind of curious how far along are your customers in terms of having their data in order so that they can get value from Agentforce somewhat out of the box? I'm just trying to get a better understanding on how long does it take from the conversation with customers and sort of scouting out what they're going to do, getting their data in order and then bringing sort of Agentforce to bear, is it a 3-, 6-month process, just trying to get a sense if you have an idea on that quite yet.

**Brian Millham***President & COO*

Yes, it's a great question, Kirk. And I appreciate it. It varies by customer, honestly. If you've had a very strong data architecture strategy for many years, your ability to turn on Data Cloud, harmonize your data and leverage it in our AI solutions is months, weeks even. There are other customers who have data siloed across their business, they built data lakes. It sits across different divisions that they want to bring together in Data Cloud, and that can take a bit longer, 6 months even to bring that data together. They all want to move faster, which is the great opportunity for us. They all recognize the need for harmonized data to make their AI and their Agentforce opportunity better with their customers. And so what we're seeing is tremendous demand for not only the technology but the people to go harmonize the data, get it in a state that they can now leverage Agentforce to really deliver for their customers. So it really depends, honestly, is the answer.

**Michael Spencer***Executive Vice President of Investor Relations*

Thanks, Kirk, and thanks, everyone, for joining the call today. We look forward to seeing everyone over the coming weeks and wish everyone a happy holiday season.

**Operator**

That will conclude today's call. Thank you all for joining. You may now disconnect.

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