Speaker 1 ([00:06:15](#)):

Good afternoon everyone. My name is Leila and I will be your conference operator today. At this time, I would like to welcome you to the Salesforce Second Quarter Fiscal 2026 conference call. This conference is being recorded and all lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be a question and answer session. At this time, I would like to turn the call over to Mike Spencer, Executive Vice President of Finance and Strategy and Investor relations. Sir, you may begin.

Speaker 2 ([00:06:46](#)):

Good afternoon and thanks for joining us today on our fiscal 2026 Second 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, and Robin Washington, Chief Operating and Finance Officer. We also have Srini Tallapragada, President and Chief Engineering and Customer Success Officer, and Miguel Milano, President and Chief Revenue Officer, joining us for the Q&A portion of the call. 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 or outcomes 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 or outcomes is included in our SEC filings, including our most recent report on forms 10-K, 10-Q, and other SEC filings. Except as required by law, we do not undertake any responsibility to update these forward-looking statements.

([00:07:45](#)):

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 earnings materials and press release. And with that, let me hand the call to Mark.

Marc ([00:07:56](#)):

All right. Hey, Mike. Thank you so much and I'm really excited to get into the call. And as you saw, we really had a great quarter to close out the first half of the year with outstanding performance across all of our key metrics, including our revenue, our margin, our cash flow, our CRPO, and even our AI and Data Cloud numbers were all incredible. We outperformed on Q2 revenue with 10 and a quarter billion, up 10%. And year over year and 9% in constant currency. Miguel's sales team drove incredible momentum. Net new bookings from deals over $1 million, grew 26% year over year. And we closed deals with companies like Dell, Marriott, Eaton, US bank, Japan Post Bank, Lululemon, and the US Army. And non-GAAP operating margin came in strong at 34.3%, and we outperformed on CRPO with 29.4 billion, up 11% year over year. And the AI and data product line is up 120% year over year.

([00:08:57](#)):

We're on track to close out fiscal '26 as our record year, raising our guidance on the low end for revenue, raising on non-GAAP operating margin and cash flow. And we expect to finish with nearly 15 billion in operating cash flow. That's just incredible and a huge raise from the previous quarter.

([00:09:15](#)):

Make no mistake, these results aren't just financial milestones. It's the growth that we are seeing, particularly with Agentforce and Data Cloud. And it's proof, and you're about to get into this now as I start to really give you our fundamental organizing principle for the company and what I believe the enterprise software industry is about to become, because the agentic enterprise, the agentic enterprise,

the real manifestation of what AI was meant to be, well, that agentic enterprise has arrived. And in the three quarters since we launched Agentforce, we have now won more than 6,000 paid deals and more than 12,500 overall. And 40% of our Agentforce new bookings this quarter came from existing customers extending their investment with Salesforce, and it's demonstrating the value that they're getting and how the flywheel is really working.

([00:10:03](#)):

We've seen a 60% increase quarter over quarter in customers who've gone from pilot to production and they're expanding use cases and scaling consumption. And this is just the beginning of the most transformative time in our industry ever.

([00:10:18](#)):

I've never been more excited about anything in my entire career. We're about to get into it. I've spent weeks on the road this summer meeting with CEOs, CIOs, and frontline teams, and one thing is extremely clear to me. Every single one of our customers is becoming an agentic enterprise. It's a huge vision for the future, it's a huge vision for the future of business, and really it's a huge vision for the future of Salesforce.

([00:10:43](#)):

But this isn't just an upgrade. This isn't simply just automating some existing business process, these agentic enterprises, well, for Salesforce it's certainly true, it's a complete transformation. And for our customers, the agentic enterprise is a complete reinvention, in many cases of who they are and what their potential is. It's a shift from traditional hierarchies to reshaping the entire company from busy work to orchestrating workflows, from siloed teams to seamless collaboration, from clicking and routing to natural conversations. And hours are shrinking to seconds. Employees and customers are being augmented.

([00:11:20](#)):

But ultimately it's about this. It's about humans and agents working together with every decision grounded in trusted data. This is, as I said, what AI was meant to be.

([00:11:31](#)):

And I'd just like to talk about what that agentic enterprise means for us at a very high level, how we're going to define it, and then also like to talk about what some of our customers are doing and what we're doing as well. I think that across our portfolio, we are adding these native agentic capabilities into every single one of our products. In sales, every prospect is finally getting a callback. Agents qualify at scale. Humans close the deal. Let me just get into that for just a minute.

([00:12:02](#)):

Now, our Sales Cloud for years has been an app that thousands, well millions, of salespeople use to manage their sales every single day. But now riding alongside every salesperson is an agentic salesperson, and that agentic salesperson is calling every single person back. And how that relates to Salesforce, well, let me tell you that, well, maybe somewhere between 20 and 100 million people who have contacted Salesforce in the last 26 years, they haven't been called back. It's just because we didn't have enough people. But now, with our new agentic sales, everybody is getting called back. It's a huge breakthrough and something that every company is going to benefit from.

([00:12:43](#)):

And in service, we've been talking about that now for months. You can see our agents are handling millions of conversations while humans are delivering the empathy and expertise. Well, it's a bigger story than that where you know that we have delivered, in the last nine months, about a million and a

half conversations just for our own company on our help.salesforce.com. And you also know that we continue to have thousands of humans who are also delivering their support answers. Well, guess what? The CSAT scores are about the same. In field service, agents orchestrate scheduling and logistics so technicians can focus on solutions.

([00:13:21](#)):

I saw it myself at my home. I have this incredible device from Eaton, one of our large customers using our field service product, and it actually connects my Airstream trailer to my house. And when the technician comes out to work on it, well, they're able to use the agentic capability to learn as much as possible about the product that I'm using, and how to fix it, and how to repair it, while also managing the traditional system of record that's on the field service capability. Managing all the field service and service operations through the field service capability, it's really pretty awesome.

([00:13:56](#)):

And we've been showing now for a few months, starting at our Tableau conference, the new version of Tableau where agents surface insights and make recommendations instantly and where agents and humans are working together to make smarter, faster decisions.

([00:14:13](#)):

One really cool thing when we look at our marketing product, and I'm sure we do about 11 trillion emails a year to our customers, well, those are all one-way conversations, but now we're demonstrating to our customers and about to release our new email platform that provides every one-way conversation into a two-way conversation. And agents are going to turn these one-way emails into two-way conversations. And commerce is the same thing. Agents are giving every seller superpowers and shoppers a personal assistant. And if you've seen anyone from Salesforce recently, have them show you how we're using Slack as our interface to our own agentic enterprise where we have dozens agents with people and apps and LLMs all in one conversational agentic workspace. It's pretty cool.

([00:14:59](#)):

And these agents are operating across apps, departments, silos, all running off of our Data Cloud, all running off of Agentforce. It's an incredible transformation of our product line, but really of our company. Not just just of our company, but of our customers too. This is a moment in business that we'll never forget, where every business is becoming an agentic enterprise.

([00:15:23](#)):

If we look out into our customers, we're already starting to see some incredible examples. Let me tell you, DirecTV saved billing reps nearly 300 hours of inquiry handling with Agentforce, and the employee AI agent executed 50,000 actions in a week. I've been working with DirecTV for more than 20 years at Salesforce, and I'll tell you, when I wrote that line for the script, it just kind of occurred to me, "Wow, I think only about a year ago, we hadn't even started using the word agent or agentic or Agentforce at Salesforce. And here we are talking about one of our largest and most important customers receiving this incredible benefit." Amgen, incredible company, projecting millions in annual savings by cutting call times. PenFed, who we talked about, many scripts that we've had already projecting millions in annual savings by using agent's force in its loan underwriting. And our good friends at Under Armour and Kevin Plank, well, he more than doubled his case deflection rate and boosted customer satisfaction and by double digits, and they did it in under 60 days. Kind of an incredible thing to see the speed of these deployments in enterprise software.

([00:16:31](#)):

Now, a lot of our employees are excited about Reddit because they've reduced average resolution times from 8.9 minutes to 1.4 minutes. And Telepass, well, they've powered more than 275,000 agentic conversations over five months. And the way they got it in the script is we can't believe the speed and growth of these conversations just in the last few weeks. It's a conversation at the management level that they've become one of our fastest growing Agentforce customers.

([00:16:59](#)):

So it's no wonder we're seeing so many companies build on their initial success. Our good friends in Copenhagen, Pandora, the amazing jewelry retailer, Alex has an entire team scaled from one agent to three in a single quarter. And I'm so glad they're coming to Dreamforce to show everyone exactly what they're doing. And our friends at Indeed have more than doubled the number of actions taken by their customer-facing agents and added another agent in Slack to drive internal productivity.

([00:17:28](#)):

And finally, I have to mention, because it's kind of an amazing story, that Williams-Sonoma, and we've only been live for a few weeks, started with Agentforce powering customer support for just one of their brands. I think they have quite a few amazing brands like Pottery Barn and West Elm, and others. Well, now, it's rolled out along eight of their brands and as well as agents for other use cases, including a sous chef agent that is helping customers choose cookware and guiding them step by step through recipes. They are finding all incredible new ways to use the Agentforce platform, and they're doing it side by side across their entire Salesforce deployment.

([00:18:09](#)):

Now, these are all examples, including Salesforce, of an agentic enterprise in action, but it's really about how each company is transforming to become an agentic enterprise. And none of this is possible without Data Cloud. Data Cloud is the heart and soul of the success of these agents because it is providing the data and the metadata that you need and the context to get the accuracy. We probably have the highest accurate agents in the industry and the way that we're achieving that is through our Data Cloud. It's this Data Cloud, as well as Tableau and MuleSoft, and soon Informatica, all working together to really helping our customers to clean and harmonize their data and provide it in a way that can be consumed by our Agentforce platform to provide this level of accuracy.

([00:18:59](#)):

I think the data business is probably the most strategic and most important business for Salesforce going forward. And already it's a 7 billion business, and Data Cloud is having a great year. It had 140% year over year growth in customers and 326% growth in rows accessed by zero copy integration. The usage numbers are really just off the charts. But over half of the Fortune 500 are already on Data Cloud, but it's really just the very, very beginning. Now, FedEx, and you're going to see them at Dreamforce, their Chief Operating Officer, Richard Smith, is coming to be part of my keynote. Well, let me tell you that they've got unified data across all their platforms now with Data Cloud. And the numbers that they're telling us that they're saving, well, I'm not going to take away Richard's punchline from the Dreamforce keynote. It's like numbers I've never heard in terms of what the amount that can be saved by technology. And now if a business customer isn't actively shipping, our own marketing cloud campaign is automatically triggered and sales reps are alerted and it's all happening through our Data Cloud. And this idea that FedEx has seen a double digit increase in the percentage of customers who've signed the contract and proceeded to start shipping, it's dramatically surprised them what has been possible in such a short period of time. And honestly, it's also surprised us.

([00:20:24](#)):

Now, I want to mention two areas where relays are focused and where the opportunity remains absolutely enormous, and that is public sector. But also a new product category for us, which a lot of you know, ITSM or IT service.

([00:20:38](#)):

Now, let's talk just briefly about the government. Now you already know our government is already our largest and most important customer. It's a multi-billion dollar for Salesforce. And we've been driving efficiency and performance and taxpayer savings for more than a decade. Everybody knows that we run the VA, the Veterans Affairs, and the US Co Guard, and so many great agencies. But we're starting to expand what we're doing even more-

<center>PART 1 OF 4 ENDS [00:21:04]</center>

Marc ([00:21:03](#)):

... agencies, but we're starting to expand. We're doing even more and moving more into these DOD agencies as well. And this quarter we finalized an incredible agreement, another one with the US Army, a fast pass that enables Army teams to quickly access and deploy Salesforce. It was a huge win for us. And already we're helping the Army operate more efficiently, streamlining how they identify and elevate leaders, simplifying congressional reporting, powering Amazon like marketplace for their tactical gear. I spoke with them yesterday.

([00:21:32](#)):

And I just, of course, first wanted to thank them for their service, but second, I just wanted to say that it's incredible how they're looking at our technology to really transform their own operations. And now with Agent Force for Public Sector and FedRAMP high certification, we're able to sell more to the government than ever before because we're bringing the power of the Agentic Enterprise directly to the government.

([00:21:55](#)):

The Army's already planning to launch a digital front door for its human resource command, providing 24/ 7 powered service and support to all soldiers and personnel and millions of veterans. And we have lots and lots of ideas of where we're going to be able to provide value for the US Army. And in the 21st Century, agents just aren't optional. We know that. They're mission critical. Well, there's another area where that's absolutely true, and that's in the world of ITSM and IT service. It's an application area that we just haven't gone to before. But I'm very excited that next month, and you're going to see this at Dreamforce as well, that we're launching our own agentic IT service platform.

([00:22:32](#)):

A lot of our existing customers have been asking for this. We're bringing a whole new level of capability. It's agent-first and it's Slack-first. That is right inside Slack you're going to be using our agentic IT service capability. It's natively embedded where employees already work with zero learning curve. And with agentic IT service, well, every request is becoming a conversation where agents work hand in hand with IT teams proactively fixing their problems. It's going to be an incredible drope driver for the company. But it's just really another example of how every platform is going to become agentic. And I think we're really excited that we're getting there first.

([00:23:11](#)):

And it's a very democratic platform. A lot of the ITSM products have only served the very highest end of the market with maybe a thousand customers here or a thousand customers there. But the thing about

Slack is that it's used by about a million customers worldwide, and I think all of them are going to be able to be to benefit from this IT service platform. No one else is delivering this level of agentic capability and digital labor this scale.

Now we know how to do this because our own first customer for this, well, it's us. We are Customer Zero. And over the last six months as Customer Zero, we've been doing all of these critical things that I've mentioned. Yes, yes, we've done the 1.4 million customer support conversations with a 77% resolution rate. Yes, we have the sales agent that's qualifying prospects and generating pipeline. And yes, over 26 years, we just let too many millions of prospects go untouched. Mea culpa. That was our fault. But in the last seven weeks, this sales agent that we've just built, well, it's had conversations, conversations with tens of thousands of inbound leads, even setting up appointments with human STRs and helping close deals. And we have it running in customers as well. It's been incredible what the opportunity is.

Look, we all know the Agentic Enterprise is here. We all know the Agentic Enterprise is the next wave of business. We all know that it's going to fundamentally reshape and rebuild and recast all of our companies. And we know that what's going to happen is going to be something that we could never have expected where humans and agents are going to be working side by side. And look, Salesforce is going to lead the way. There's no question about that. We've built the software infrastructure for the Agentic Enterprise. We have our metadata platform unifying our apps, our data and agents into one powerful agentic operating system. We are rebuilding every single one of our products to be agentic. We're delivering almost every single one of those products at Dreamforce.

And at Dreamforce, you're going to see all of these products. You're going to see hundreds of customers that have deployed these products. And you're going to hear directly from leaders like Dell and FedEx and Accenture and Smartsheet and William Sonoma and Pfizer and OpenAI and Anthropic and so many others about how they are becoming Agentic Enterprises and using our sales force agentic operating system.

It's a funny thing, I don't think in the last earnings cycle, I guess maybe if you go back a year ago, was I even talking about agentic or agent force or agents? And now if you talk about the Agentic Enterprise, it's another layer above that. So you're going to see that we are rapidly moving to what the next generation of technology is. And at Dreamforce, you're going to see incredible new capabilities. Like I said, not just the ITSM product and all these new platforms. You're going to see Agentforce version four. Well, it's going to be amazing and you're not going to want to miss it. It's going to be October 14th through 16th in San Francisco. We have an incredible show put together. We've even got a great concert for our children's hospital put together with Metallica and Benson Boone. We've got some amazing surprises for our keynotes. But you're going to just see the future of technology.

And let me just say this, at Salesforce, we've always believed that business is the greatest platform for change. We believe that when it was in the world of mobile and social. And we believe that before there was AI. That was true in the cloud. Well, the Agentic Enterprise, for us, it's just not about efficiency or growth. It's about making a positive difference in the world. It's one of our core values at Salesforce, from helping companies serve their customers to driving sustainability, to supporting communities. And

this transformation is grounded in our purpose and in our values, and you're going to see all of that at Dreamforce as well.

([00:27:10](#)):

Okay, well, I'm really excited to have all of you on the call and answer your questions. And now over to Robin.

Robin ([00:27:17](#)):

Thanks, Marc. And good afternoon, everyone. As Marc shared, we closed the first half with strong momentum and are on track for a record year. We're delivering customer success, executing with discipline, and setting ourselves up to accelerate profitable growth. Agentic Enterprise is here, and we know this firsthand. As Customer Zero, our own sales, service, and Slack agents, our augmenting teams across the company, transforming how we work and driving operational excellence.

([00:27:48](#)):

We're also helping our customers like Lennar, Vonage, Booking, and Pierson become Agentic Enterprises. They're trusting Salesforce to unify their data, apply real-time contacts, and securely deploy agents that automate routine work, streamline operations, and elevate every customer interaction. That is why Data Cloud and AI ARR continues to scale, reaching 1.2 billion in Q2, growing 120% year-on-year.

([00:28:21](#)):

Now, let me give a little bit more context on the strong results for the quarter. As Marc shared, revenue in the second quarter was 10.24 billion, up 10% year-over-year in nominal and 9% in constant currency. This was better than expected, driven primarily by one-time license revenue and professional services recognition, as well as strong execution.

([00:28:45](#)):

Subscription and support revenue grew slightly above 9% in constant currency. We delivered another quarter of profitable growth with Q2 non-GAAP operating margin up 60 basis points, and GAAP operating margin up 370 basis points, marking a 10th consecutive quarter of operating margin expansion.

([00:29:07](#)):

Current remaining performance obligation or CRPO ended Q2 at 29.4 billion, up 11% year-over-year in nominal and 10% in constant currency. This was also better than expected, driven by sales execution, particularly in creating clothes, SMB, and big deals.

([00:29:27](#)):

As you know, we build a resilient business with a diversified portfolio of products and a customer-base across various geographies, segments, and industries. From a geographic perspective, we saw strong new business growth in the US and pockets of EMEA, particularly the Netherlands and Switzerland, while the UK and Japan were constrained.

([00:29:50](#)):

From a segment perspective, we continue to see strong performance in our small and mid-market business this past quarter. And from an industry perspective, technology and comms and media perform well, while retail and consumer goods and public sector remain measured. These results reflect our disciplined-focus on the three strategic priorities are laid out last quarter.

([00:30:14](#)):

I'll walk you through our progress on each. First, we focused on delivering customer success and accelerating data and AI adoption. Customers continue to trust Salesforce for their most mission-critical workflows. In fact, service and platform were in all of our top 10 wins. And 70% of our top 100 wins included five or more clouds. Further, building on that solid foundation, data and AI products we're in 60 deals, greater than 1 million.

([00:30:49](#)):

Our consumption model is showing strong early success. I want to underscore what Marc just talked about. More than 40% of our data cloud and Agentforce bookings this quarter came from existing customers expanding their investment. Agentic AI and data make the capabilities of our unified platform, the information, the logic, and the workflows more important and valuable than ever before. And we are making it even easier for new customers to get started.

([00:31:23](#)):

Last month we announced new flexible payment options for Agentforce, including pay as you go to lower the barrier to adoption and encourage experimentation. And following their launch last quarter, flex credits now account for 80% of Agentforce Q2 new bookings.

([00:31:41](#)):

As Customer Zero, our internal deployment is key to our second priority, operational excellence to maximize shareholder value. In Q2, we expanded 24/7 instant support to six new languages, which combined with English now cover over 94% of our global case volume.

([00:32:01](#)):

Earlier this year, we launched our IT and HR agents in Slack to support our employees. And in July we launched dozens more specialized agents in Slack. We believe that being agent-first is a key driver of our own long-term margin expansion.

([00:32:20](#)):

As part of our Lean Agentic Enterprise transformation, we're making smart trade-offs as we manage our portfolio of products and end markets. We are reallocating resources and ruthlessly prioritizing our investments to accelerate data and AI adoption and drive further growth.

([00:32:40](#)):

Finally, all of this is underpinned by our third priority, maintaining a responsible capital allocation strategy. Our strategy is simple, make disciplined investments to fuel profitable growth and maintain a balanced approach of return of capital to our shareholders via share repurchases and dividends. Leveraging our responsible M&A framework, we are making strategic investments that accelerate our agentic roadmap. In the last few months, we close the acquisitions of Convergence AI, Bluebirds, and Y, and entered into a definitive agreement to acquire Regrello, bringing in key talent and technology to accelerate our innovation. These assets will unlock valuable new data and agentic capabilities for our customers.

([00:33:31](#)):

Also, a quick update on Informatica. We now expect Informatica to close in the fourth quarter of FY '26 or early in FY '27. At this time, given the variability and potential closing timing, we have not included any contribution from Informatica in our guidance.

([00:33:50](#)):

And on capital return, in Q2 we returned 2.6 billion to shareholders through buybacks and dividends. This brings our total capital returned since the program began to nearly 27 billion. And today I'm pleased to announce that our board has approved a 20 billion expansion of our share repurchase authorization.

([00:34:13](#)):

So finally, let's get into guidance. We are pleased to raise the low end of our fiscal year '26 revenue guidance to 41.1 to 41.3 billion. This results in growth of approximately 8.5 to 9% year-over- year in nominal and 8% in constant currency.

([00:34:34](#)):

On foreign exchange, we now expect a 300 million tailwind, up 50 million since our last print. We are reiterating our subscription and support revenue growth of approximately 9% year-over-year in constant currency driven by the momentum in data cloud and agent force this year. This is partially offset by weakness in marketing and commerce and slower growth in our expiration base. We are pleased to raise our non-GAAP operating margin 10 basis points to 34.1% for the year, building on the continuous improvement from the last few years and aligned with our ongoing commitment to long-term margin improvement. We now expect GAAP operating margin of 21.2%. This is inclusive of additional restructuring charges.

([00:35:25](#)):

We are also raising our annual guidance on operating cash flow growth to 12 to 13%. This is driven by cash tax savings as a result of the recently enacted tax bill. We now expect CapEx of slightly below 2% of revenue, resulting in free cash flow growth of 12 to 13%.

([00:35:46](#)):

Turning to Q3 guidance, revenue is expected to be 10.24 billion to 10.29 billion, up 8 to 9% year-over-year in nominal and 8% in constant currency. CRPO growth for Q3 is expected to be slightly above 10% year-over-year in nominal, including a 300 million OpEx tailwind, resulting in slightly above 9% constant currency growth. As a reminder, while we have seen more normalized bookings growth recently, CRPO will continue to be impacted by the cumulative effect of the measured sales performance that started in Q2 fiscal year '23.

([00:36:29](#)):

In closing, we continue to deliver strong results. And by investing with discipline, we are positioning ourselves incredibly well for the agentic future. We're excited to share more about our product strategy and how we are delivering the Agentic Enterprise at Dreamforce in October. I look forward to seeing many of you there.

([00:36:53](#)):

I'll turn it back over to Marc.

Marc ([00:36:55](#)):

Thanks, Robin. Operator, we'll take the first question please.

Operator ([00:36:59](#)):

We'll now begin Q&A. For today's session, we'll be utilizing the raise hand feature. If you'd like to ask a question, simply click on the raise hand button at the bottom of your screen. Once you've been called on, please unmute yourself and begin to ask your question. Please limit to one question. Thank you.

([00:37:16](#)):

We will now pause a moment to assemble the queue. Your first question will come from Kash Rangan with Goldman Sachs. Your line is now open. Please go ahead.

Kash Rangan ([00:37:25](#)):

Hi. Thank you very much. One for you, Marc. A debate that has surfaced lately is, has SaaS outlived its long run? Tech cycles have rarely lasted this long. So how defensible is SaaS, particularly the category that you are in within SaaS, against disruption from AI-native apps and maybe custom-built AI?

([00:37:47](#)):

And if I could sneak one for you, Rob. Data cloud and agent force showing triple digit growth. When does that inflect the top line? Thank you so much.

Marc ([00:37:58](#)):

Well, thanks, Kash. I think that you're absolutely right. The software industry is going through a tremendous transformation, and it's really driven by the fundamental acceleration of artificial intelligence. Now, I think you know that Salesforce has been AI for more than a decade with our Einstein platform, but it is really the emergence of large language models that really are giving us a new platform that we can build on and extend our applications with.

([00:38:27](#)):

And that idea that all of a sudden we've been running customer service here at Salesforce, as I mentioned since we started 26 years ago on our own app. And what that meant was that there were humans about 6,000 of them or 7,000 or 8,000 of them, or 9,000, whatever the number is, well, those humans, they're there working on the application and they are adding to it and changing it and working with it and so forth and so on, and resolving cases and talking to customers, and also posting information on our website and helping customers to find new ways to resolve their issues.

([00:39:04](#)):

Then all of a sudden this year, we've now built an incredible new capability called Agentforce. And by building that capability, there is an agent, kind of a incredibly, intelligent piece of software that's also now directly working with the customer. So we have humans working the cut with the customers like we have and now also agents. And it's not just at some small scale, it's actually at a large scale.

([00:39:29](#)):

In the last nine months, about a million and a half conversations happen directly with these agents, and a million and a half of these conversations happen with humans. And so it's those apps and it's the agents working together. Now, it's not the agents have completely taken over the huge customer support channel. At Salesforce, it's just not possible because AI, as we all know, these large language models only have a certain level of accuracy, and it's not 100%. It's probably about in the 90s when it really gets well architected with our data cloud and with all the different kind of capabilities and kind of really advanced techniques that we've come up with to make our AI as accurate as it can. And so by doing that, yes, there's a lot that we can resolve automatically through a agents with the customers, but there's also a lot that can be resolved, and that has to be escalated to the humans.

([00:40:24](#)):

And so it's humans and agents working together to satisfy customer success. And this is what has been extremely important. And it's all built on this huge data fabric, which is really our data cloud, our metadata, and really our system of record that we've built up with our customers over two and a half decades. And that's about the 200 or 300 petabytes of information that we manage for our customers.

(00:40:51):

Now, that metaphor for service, well, that's also now happening for sales as well. As I mentioned, with this incredible new robotic sales person that's out there calling back every single one of our lead and setting appointments and even in many places closing deals. And it's going to be true in every application we made.

(00:41:13):

So it's not about the fundamental, oh, I would say elimination of SaaS. And I would say it's the fundamental extension of SaaS. And I think that the fever that we have around this, well, maybe this is why we're one of the first companies at scale to not only deliver these solutions, but use these solutions. I guess when I look at the other large enterprise software companies and I look at their websites and I look at how the capabilities that they're providing in terms of kind of same old FAQ systems and this kind of thing, versus what we've done at help.salesforce.com, well, I'd say we're way ahead. And I think we have a very crystal clear vision about what the future of enterprise software looks like and how we're going to be able to help customers achieve a level of success. Over the weekend, I read that MIT study that's becoming very-

PART 2 OF 4 ENDS [00:42:04]

Marc (00:42:03):

Over the weekend. I read that MIT study that's becoming very popular, which really goes to show that a lot of companies have thought they were on the right path with Generative AI, building their own models, doing it themselves, hooking it all up, and now they're claiming about 94% of those projects have failed. But we've been saying that was going to happen for the last several years, as you know. But that's not what our customers are saying. Our customers are saying that they're getting phenomenal results and that they have humans and agents working together to create a new level of customer success or what we say at Salesforce is an agentic enterprise.

Speaker 3 (00:42:37):

Yeah, baby that.

Robin (00:42:39):

Cash to your point, how should we think about revenue growth acceleration? I'll add to Marc's excitement. We really do see this as the opportunity to define the agentic enterprise, and I'd say we're really starting to harvest the benefits of the investments that we've made. In our products, we're continuing to double down on innovation as I talked about, and we're placing bets in all the right areas. Net new AOB, deployment of agents with FDEs and our AE capacity and growing areas.

(00:43:10):

I think one of the things we report to you our cloud revenue on a quarterly basis for transparency, but we're really evolving our pricing and our go-to-market strategy. So yes, it is early days in the adoption cycle, but we are really confident in our strategy to monetize AI. We're focused on capturing the value for our customers and I'd say we're really optimizing for usage of our platform. We believe this will unlock deeper value across all of our core products over time.

Marc Benioff (00:43:41):

Thanks Cash. Operator, we'll take the next question please.

Speaker 3 ([00:43:45](#)):

Your next question will come from Keith Weiss with Morgan Stanley. Your line is open, please go ahead.

Keith Weiss ([00:43:51](#)):

Excellent. Thank you guys for taking the question. And Marc, I really agree with your characterization of the extension of SaaS versus the elimination of SaaS. Almost seems like the market has a little bit of a mischaracterization of what Generative AI is, thinking of it as a category versus a big extension of capabilities, and I think Salesforce is showing their ability to deliver those capabilities.

([00:44:16](#)):

One of the stats that you talked about in the quarter was the 60% increase in pilot to production. Was there some technology catalyst or some implementation catalyst that caused that, that increase of conversions of the pilot projects into production? If so, what was that? And any color you could give us on what that looks like, what a production deal is going to look like around Agentforce versus what you've been seeing in the pilots?

Marc Benioff ([00:44:45](#)):

Well, I'd really like to call on Miguel and Srini to kind of give you some real insights into what's going on in the field with our customers because I think it'll really illuminate for you some of the real life examples that get to what you're trying to point out. Srini?

Srini Tallpragada ([00:44:59](#)):

I think great question. So, one of the things which we have been working very closely with our customers using our Forward Deployed Engineers and motion and what we have been working and customers are at different stages, some are in pilot, some are in production and doing multiple agents. And as we are learning, we are figuring out with our customers a lot of gaps in how they think about the product. They all try to do, they do it yourself and they're realizing that you can't wipe code away to enterprise reliability and security, and that's why you hear a lot of customers or you hear a lot of news about pilot purgatory. But some of the special things we had to do in the product. So for example, we worked with Equinox and we learned that for their brand image, the gym company, they had a lot of UI treatment, specialized branding, and we added it in the product.

([00:45:54](#)):

Then we are working with customers like Lennar and Adaco where, most of these places where the engineers were caught in what I call the prompt doom loop, where people are trying to write prompts and write prompts, and anybody who's an AI engineer will tell you it's very frustrating and you do it. So one of the things we have to build is determinism in our agents, allowing them to leverage the power of the LLMs in a trusted level. Another thing in our own deployment as we get to, that is at the entry level, but as you go to real scale, initially when we did help.salesforce.com, you'd have look at every answer the agents are doing and hand tune it and understand it. But as you're trying to understand millions of such requests, you cannot do it. So we have to build in the product what we call AgentForce Command Center to enable observability and track it and performance manage, if you will, the agents on a scaled way.

([00:46:49](#)):

So, I think this is why we are seeing, as the statistics says, 40% of our revenue is coming from existing customers increase their consumption. They're really seeing that, hey, I got the first version. So, a series of tactical, practical features with a very close loop with our customers and hardening, deep integration

with our data cloud and platform, really increasing the scale, and then that's just from engineering customer success, cycle and the product adoption cycle, and then of course we have our field teams under Miguel who are now trying to take this to market at different customers. And I'll pass it to Miguel to add his context.

Miguel Milano ([00:47:32](#)):

Yeah, so thank you Srini, and thank you for making also AgentForce much faster to implement. Listen, let me take this back for a couple of seconds to a bigger picture. I just turned 57 last week, I'm approaching 34 years of professional career and I don't think I've ever been this excited about our industry and the opportunity ahead of us. And the key is, and going back to Cash question and also Keith comment on the extensibility of these new AI capabilities. The key is with our core apps, which are nothing other than deterministic workflows that human use every day. Our data cloud, which is a single source of truth that humans and agents need to access, and our AgentForce agent capabilities that are natively, natively built in the apps and with the data, everything running on the same metadata language that humans and agents understand. This is the only one, the only way to scale AI.

([00:48:32](#)):

So let me give you a couple of examples. When Mark alluded to DirecTV incredible business value, this is one of the biggest flex credit customers that we have globally. They went from pilot to production in just two months in a very complex environment. They run all our applications. Two things that are worth noting is they leverage data cloud at speed, all the billing information from their backend systems through MuleSoft going to Data Cloud. And then of course all the 10,000 agents are working on Service Cloud. So that's a great example. Another example which is funny because we've already talked about them, but the story is just getting better. It's Falabella, is the largest retailer in Latin America. Their main use case, they have several, but the main use case is where is my order? And they solve that question to the customers across the web in app and WhatsApp.

([00:49:24](#)):

The pilot took two months from idea to production, they access their OMS system, they leverage the serum data in Salesforce, knowledge articles that they put in Data cloud. They connect data cloud to GCP and the value is extraordinary. The NPS has increased by 10%, 10 point from 70 to 70%. All the digital interactions, most of them, 70% of them, have shifted to WhatsApp and the call volume has dropped by 25%. But the very cool piece of the story here is, they started being a decent multi hundred thousand customer. Then in May they came back to refill the tank and they nearly triple the business on AgentForce, and now we are discussing again to double. And the whole thing predicates on the fact that we are the only platform, the only software infrastructure that can bring the deterministic workflows, the data and the agentic reasoning and actioning on the same platform. And this is very exciting.

Marc Benioff ([00:50:31](#)):

I'd just like to sum up, summarize that. I just want to kind of come back to Cash's comment, and Keith, I think your comment is so insightful, but especially when you put it together with Cash, which is like we are seeing one of the greatest transformations in software. The idea that we're moving from that enterprise software is just for human beings to where it's also having an agentic layer and that together it's more powerful to serve customers and that it can create enterprises that are much lower cost and much more efficient and much more capable and much more powerful. And it's against this strange narrative that's out there that somehow enterprise SaaS or apps or something are going away.

([00:51:18](#)):

Now, I guess nothing lasts forever, but I just look at how I'm running my own business and the business of our customers. I don't understand what the replacement is. So, I just looked at this incredible next generation, transformational capability and I'm going to lay it all out at Dreamforce. And by the way, my keynote, I kind of threw away all my slides and I said, let's just have 12 CEOs of the largest companies on the planet just show you exactly what they're doing with this technology because it's crystal clear what the value proposition is. But to hear some of this nonsense that's out there in social media or in other places, and people say the craziest things, but it's not grounded in any customer truth.

([00:52:04](#)):

And I think this is what really gets down to the part and parcel of it all, which is, we are in the greatest transformation of our industry, which characterizes the agentic enterprise. But the idea that there is, I'll just say again, an AGI, that seems like a fantastical term. I know it's coming in the next week or two evidently, but this idea that there's some kind of AGI that's about to take over the whole world, well, let me just help everybody understand that's not exactly what's about to happen. That we have this incredible capability, which is the large language model, which is the next step in artificial intelligence.

([00:52:41](#)):

And yes, we have been able to find what we think is the perfect synergy between the large language model and enterprise software, which we call the agentic enterprise or agents. And this idea that you can deliver an agentic enterprise and you can do what we did which is, reduce your support heads and have an agentic layer and have a more efficient company and make more money and do better for your shareholders, and also deliver a better experience for your customers and for your employees. Well, that's what we're doing at Salesforce and some of the other nonsense that's out there, I just cannot get my head around. And by the way, I take everything very seriously.

([00:53:19](#)):

So when somebody makes some big comment, I'm like, all right, well I'm going to go out there and really look at that because I guess AGI is going to happen tomorrow. So, I'm ready for that, or oh, I really, okay, well SaaS apps are going away, well I'm not going to go away. Well, I'm going to go check that out, but there's so much nonsense. You got to separate the forest from the trees or for those of us who are kind of Bible readers, maybe we separate the wheat from the chaff. And I'll just tell you as we separate the wheat from the chaff, just know there is truth out there and you have to go out there and really find it. And the truth is always with the customers and also right here at Customer Zero and I plan to lay it all out for you at Dreamforce as well on October 14th.

Keith Weiss ([00:54:00](#)):

Outstanding, really looking forward to it.

Marc Benioff ([00:54:03](#)):

Thanks Keith. Operator, we'll take the next question please.

Speaker 3 ([00:54:06](#)):

Your next question will come from Brent Thill with Jefferies.

Brent Thill ([00:54:10](#)):

Thanks. Marc, with the $20 billion addition to the buyback, there's questions about the strategy of leaning harder into the buyback and the balance of M&A. And does this signal that you're leaning harder towards the buyback or do you feel like you can do both M&A and the buyback? Just curious to get your

thoughts. You have been doing higher frequency of deals and I think everyone would love to hear your perspective on what this means.

Marc Benioff (00:54:41):

Well, I think, and let me give you my vision and then let me turn it over to Robin on execution. So, I think at a high level, the most important thing is that we deliver extraordinary cash flow, that's number one. And I think we are delivering extraordinary cash flow for an enterprise software company. I think one of the highest in the industry of any enterprise software companies. And while a lot of software companies and others have just thrown their cash flow away to go build data centers or do I don't even know what with their money, but I'll just say that we are going to do three things with our money. One, we are going to provide a buyback just like you said, because I think that is a great idea. We are also going to provide a dividend, which I think is also a great idea.

(00:55:26):

And we're also going to use it to look around and if we see great entrepreneurs or great technology or something that we've never seen before that just blows our mind, we're going to buy it. And we saw that a couple times even during our quarter. You've heard this word, Regrello is a word probably no one's ever heard before. And we've been talking to them for almost a year. And we know them because the CEO of Regrello and Srini used to work together at Oracle and the president of Regrello used to work here at Salesforce, and we've been tracking this company and then our customer, Dell took their supply chain and automated 20,000 users using Regrello and that got our attention. And then we saw our customer Mercedes start to implement it as well. And then we're like, what exactly is going on? And they started building agentic supply chain.

(00:56:18):

And when we saw the technology, we said, oh wow, this might even be bigger than agentic supply chain. And we just couldn't get our head around how they were doing exactly everything they were doing. And it took us about nine months of due diligence, and then finally we said, well, we think we're going to buy Regrello. And we just love this company, and there's other little companies that we found. You heard that word Bluebirds, and there's other little things out there that we've seen, but when you have 15 billion of cash flow in a single year like this year, and I think next year is going to be bigger, that we plan to use it in a smart way. And I think that that Trinity of using it for buybacks and using it for dividends and also using it to provide inorganic innovation is the right idea in a balanced framework, which is the one that we've laid out in previous earnings calls.

(00:57:12):

And I think we're executing it super well. And I think you also know we even have this super strategic acquisition that's getting teed up that we've been talking about now for several quarters to bring in because, look, every single customer is going through, every AI transformation is a data transformation. It's not really spoken for some reason by others, but if you don't have your data right, you don't get your AI right. And so, we all understand that, and we think that every customer is going to need an Informatica. Every customer is going to need a MuleSoft and every customer is going to need a data cloud. And together we think that's called the AI Foundation. And that AI Foundation is the data cloud plus MuleSoft plus Informatica. And if you are going to roll out AgentForce, you're going to need an AI foundation made up of those three things. So, that all comes out of thinking about cash flow. So, I think that we have clarity around where we're going. And Robin, why don't we talk about exactly how you're going to execute that.

Robin (00:58:18):

Well, I think you summed it up well Marc, in terms of the Trinity, we're balanced, we have a discipline M&A framework. We're going to be opportunistic. We've clearly made a big bet on Informatica, that's our large acquisition. But, as you said, we're going to be particularly as it comes to the agentic stage, if we see other things out there that make sense, we're going to buy them. Our strong free cash flow allows us to do that. But we also will stay disciplined relative to returning value to shareholders. Maybe we'll move to the next question, Mike.

Marc Benioff ([00:58:48](#)):

Thanks, Brent. Operator, we'll take next question please.

Speaker 3 ([00:58:51](#)):

Your next question will come from Kirk Materne at Evercore.

Kirk Materne ([00:58:54](#)):

Yeah, thanks very much. I think this one's either from Marc or Miguel, but this two quarters in a row you've mentioned the create and close business has been pretty strong. As we think about AI doing more work on the behalf of customers, I was kind of curious just as your view of whether the mid-market become more of a source of durable growth for you all as we look at over the next few years. Marc, you mentioned that in relation to the ITSM opportunity, just curious about what you're seeing in the mid-market and if this can be a more expansive opportunity for you all as we look out. Thanks.

Marc Benioff ([00:59:28](#)):

Well, I really appreciate that question and there's very much a corridor strategy and has been for 26 years, but we don't really talk about it as aggressively as we should. And so I think there might've been a point of confusion. So let me just help provide some clarification, which is that, unlike other enterprise software companies, we're extremely committed to what we call our five segment strategy. And the five segment strategy, maybe six I'll say, but let's say our five segment strategy, and I'll lay it on what six is, but really is a five segment strategy is number one, hey, we love enterprises and we love the biggest enterprises, and we used a lot of big enterprise names, Fortune 100 names on this call, we love those customers, they're great, we love them. They're very profitable, it's a fantastic segment to be in. It's not the only segment of business. Small and medium business, which are like zero to 200 employee companies.

([01:00:23](#)):

We're extremely strong in, we always have been. We have products that are extremely relevant for them, including our sales and service products and core products, but even Slack and others and the SMB zero to 200 business is way stronger right now than we've ever seen it. I think that part of the reason why that is, is because AI makes every entrepreneur a super entrepreneur, and AI makes every SMB business look more like a mid-market business. So, all of a sudden you move from the zero to 200 segment into the next segment, which call it 200 to 2,000 or 200 to 3,000 employees. But as you get into that next segment of the business world, these are businesses that are starting to grow up, have real revenue, need real systems. They look like real companies, they don't have tens of employees, they have hundreds of employees, they now have thousands of employees.

([01:01:16](#)):

And those companies, they need real software too. But they don't have CIOs, they don't have DIY, they need prepackaged software, and they're not really dealing with the hyperscalers or the large scale SIs.

They're dealing with us. We are their hyperscaler, we are their software hyperscaler. They look to us as a company that they might look to. A super big company might have every option. These companies don't have every option, and this is a huge segment of the market. The next part of the market is the traditional, we call general business market or high end of the mid-market business, which could be like anywhere from a couple thousand employees to maybe five or 6,000 employees. And this also is a extremely fast-growing part of the business. Now, I cannot tell you why, but we see it, and Miguel and I talk about it almost every day, that not only SMB business, but this mid-market and general business is growing superfast.

([01:02:17](#)):

And when I talk to my friends who run the large X SIs, I've been encouraging them to move their business downstream to serve these companies that have single digit thousand companies, call it employees. So that is, in the one to 10,000 employees. Because what happens is all of a sudden when you get into the next segment, which is segment, call it segment four, you get into the big boys, the big companies, the Fortune 100, 200, Fortune 500 companies who have the tens of thousands of employees, and they have maybe more options and bigger budgets and it's very exciting when you close one of these because you end up with some kind of mega transaction, but they're going through a lot...

PART 3 OF 4 ENDS [01:03:04]

Marc Benioff ([01:03:03](#)):

Some kind of mega transaction. But they're going through a lot of transformation because they're being pitched a lot of different technology right now, and a lot of it is fantasy land. It's all going to play out in its own way in segment four. In segment five it's the government. I think we all know that the government has been going through something that none of us have ever seen before, in the last six months. And we all understand the DOGE revolution, and we're all watching that closely. And that is something that, now, the government is coming out of and is starting to acquire, like we talked about, our Army transaction, on the call. And segment six is really ISVs. And every ISV and ecosystem is going through a huge transformation as well, and we see that in our AppExchange.

([01:03:46](#)):

But we probably have the most vibrant ecosystem in the world which is Slack. And if you haven't been on Slack to see what's happened on Slack, it's not just the ecosystem, all these next generation AI companies ranging from OpenAI to Anthropic to everyone are on Slack. And it is incredible how they've used that as their operating system and as their platform to run their companies.

([01:04:11](#)):

And then we're really bringing all of our core products down into Slack so that everything is Slack first, it's a term I used in the script. The idea that you'll be able to start Sales Cloud, and start Service Cloud, and all of our products, even our new ITSM product from Slack first and then move up. And I think that's very exciting. And you'll see all of that play out at Dreamforce. A lot of that gets released in our October release. And Miguel, do you want to just fill in what I'm talking about?

Miguel Milano ([01:04:39](#)):

Well, Kirk, you asked Marc's favorite question so thank you for that. But listen, we are adding a lot of capacity to our business, A capacity. At the end of Q2 we had added 20% more A's than we did last year. Obviously, it takes six to 18 months for those A's to ramp. On the low end of the market, actually, they ramp faster. But we have a mantra that is, grow what is growing. And today we see that the low end of

the market and the mid-market is growing significantly. And it's growing significantly for two reasons. One is, these customers want to become agentic enterprises and they don't have chief digital officers, they don't have CTOs, they don't have the complexity. They need a trusted partner where they bring the data, they bring the AI embedded in the applications, and they're buying faster than anything we've seen. We also made some organizational changes. We brought the old Salesforce model back, we brought people to hubs, we hire faster, we enable faster.

(01:05:39):

The second reason that it's growing a lot is because AI is creating more small, medium companies. So that opportunity is huge and that's why we're investing significantly. We're investing significantly more in the mid and low end of the market than we're investing in the high end of the market. We're also growing double-digit in capacity in the high end of the market. But, by the way, there are many other areas where we are investing and that we are seeing are having already impact in accelerating bookings. I see the pipeline into H2, pipeline is growing in the high teens. And for big deals it's actually approaching 20% growth. That's a really good sign. We haven't seen that kind of pipeline in a long time.

(01:06:18):

The agentic enterprise is really the next incredible investment cycle. And I think, as we've discussed here, we have the right software infrastructure to monetize this massive opportunity. Our innovation keeps [inaudible 01:06:33]. So thank you Srini, thank you Steve. I mean, this is an embarrassment of riches. When you look at the products that we're going to release in Q3, Agentforce Voice, Tableau Next. Marketing Cloud Next just released recently. We just certified Agentforce and Data Cloud for government. That's going to be a monster opportunity for us. Life Science Cloud, we are killing Veeva in their turf. ITSM, Mark alluded to it. Mule, Agent Fabric, Partner cloud. All that is more products for our increased capacity to sell. And I'm not even including Informatica. And new packaging, new pricing to monetize and make it simpler for customers to absorb this amazing innovation.

(01:07:18):

And as Mark, and Robin, and Srini said earlier, we have more and more Agentforce and data cloud customers. They bring shorter sell cycles. It's create and close. We've closed, 40% of the ACV that we closed in Q2 just came from create and close, short sell cycles on Data Cloud and Agentforce existing customers. So these are tangible examples of what we're doing now to accelerate the growth. And, obviously, the [inaudible 01:07:44] of the market is great but we are seeing growth everywhere.

Speaker 4 (01:07:48):

Thanks Kirk.

Speaker 6 (01:07:48):

Operator, we'll take next question please.

Speaker 5 (01:07:51):

Your next question will come from Mark Murphy with JP Morgan.

Mark Murphy (01:07:55):

Well, thank you so much. Marc, we've heard software companies say that they have held their head count flat in their support organizations. We haven't heard anyone saying that they reduced head count by close to 40% there like you have. I'm curious, what do you think is holding other software companies back from seeing that kind of breakthrough? And then as you repurpose those sales roles into ... excuse

me, the support roles more into sales roles, what type of firepower do you see that giving you to try to drive some of the incremental top line growth that you referred to about 90 days ago?

Marc Benioff ([01:08:37](#)):

Mark, it's a great question. Let me just say this number one. In our industry people always overestimate what we can do in a year and underestimate what we can do in a decade. And it's hard for everybody to get their head around what's possible. We're sitting up here at the top of Salesforce tower and I'm looking at Mount Diablo. But if you were at Telegraph Hill and you were at Mama's Restaurant right now, you'd still be in San Francisco but you wouldn't be able to see Mount Diablo. Maybe we just have a little more clarity from where we sit. But we can see crystal clear that Salesforce has the opportunity to do exactly what you're saying which is to reduce everybody's support cost. To make everyone's sales organization a lot more productive, to make everyone's marketing have a much higher ROI, to make every field service technician a Superman or Superwoman. And to make every Slack user far more empowered in their organization than ever before. And I could go on and on and on.

([01:09:39](#)):

And why others are not doing this yet, I think, maybe it's threefold. One is timing, like I'm saying. Two, it could just be ... There's a lot of nonsense, to Cash's point. Which I think Cash said it really well which is, there are very smart people in our industry, and other executives, who are saying absolute nonsense. And I don't understand why they're saying this nonsense, maybe it's just to create a certain level of FUD in the market. But I think it's inappropriate at this point. And what it's done for the whole enterprise software industry I think is crazy.

([01:10:15](#)):

And I would say the third thing is fear. Because I think with fear, all of a sudden, as soon as you start to say, "I'm going to make some dramatic change." But let me make one thing crystal clear which is that the agentic enterprise, unlike every other technology value proposition that we've prophesized for the last 26 years, the one big difference is, not only is it a radical technology transformation, as I articulated, humans and agents working together, it's also a radically different organizational transformation involving what the structure of your company looks like.

([01:10:54](#)):

And you probably saw that we just put out a press release that we're restructuring our company. And everyone's saying to me, "Why are you doing that? What are you doing about this? What are you doing about that? You're making this change." Yes, we're taking out poor performers, we do that every year. But we're doing something else that's much more important, we're becoming an agentic enterprise. We realized that the opportunity at hand for us, and for everyone, and for everyone on this call, is to build a radically new kind of company. A more profitable company, a higher revenue company, a company with better performing marketing programs, more productive employees. Much more augmented customer opportunities and employee opportunities. This idea that we're going to radically impact and change how companies are shaped and operate. We're not just going to build the software, it's the software and it's the structure.

([01:11:50](#)):

I've been on the road for eight weeks. And I'm just back after meeting with hundreds of customers, primarily in Europe, and in each and every single one it's a complex transformation, not just from the software side but also from the human management, or what we call change management side. I'm sure you're all familiar with the term change management. And so I'll just tell you, I was with one of our customers that I love, which is Adecco, which is this incredible recruiting company, and I'm sitting with

the CEO, and they're in France. Miguel was with me, and we're having a great conversation. The CIO is from Switzerland. And we're all sitting there. Each person is from a different part of Europe, and we're having a very robust conversation. But they're rebuilding their whole business model, their technology model. They're rebuilding their whole company around this idea.

(01:12:43):

In another case, we then drove to Schneider who's been a customer of ours for, I think, 20 years. And we've known three or four Schneider CEOs. The new CEO, Olivier, is amazing. I had dinner with him in Dubai, and now I'm seeing him again in Paris, and we're just talking about this. And I realized my job is to inspire, and to energize, and to motivate, and to fundamentally show the vision of what is possible for the future of software itself for him. And for him it's really exciting because he not only is going to rebuild his company but he can also rebuild the software that he builds and delivers to his customers.

(01:13:24):

And then we went... got on the plane, literally, I'm just recalling my trip in my head right now, up to Amsterdam to talk to some of the banks up there. And we went through this agentic enterprise vision with our Financial Services Cloud, and how we've rebuilt this product and I'm with the CEO and the management team. And the CEO stops me at the end of the meeting and he goes, "I just want to tell you, this has been a great two hours but we took our entire board meeting yesterday to only talk about what the potential is for agentic capability at our bank." And I think in each and every case, every company is going to go through this dramatic transformation. Now there will be vendors that lay out what they think is the future and they could say, "Well, we're going to give you this large language model." I'm not going to go through the specific different models, but at the productivity level. Or we're going to give you just a large language model, or we're going to do this for you.

(01:14:24):

But I haven't found anyone other than Salesforce, and I will say maybe there's a couple other peers of ours who then can come in at scale, but I think we're the only ones who have rebuilt every single one of our product line. Because I am super passionate that all of our products need to change, and all of our customers need to adopt this, and that we are going to do it through a whole different kind of business strategy. And this is just a moment where, if you can't feel or see what's about to happen, it is incredible. And it's not just about some foundation model is now officially taking over every enterprise. Because I've been to every customer on planet Earth that said, "I haven't seen that." In my own company, if you haven't seen it come over, I'm going to show it to you myself, that you can do things in a company that you could not do before and it's all possible. And you can do a lot of things, but one last thing, you cannot do everything.

(01:15:25):

And folks that think that you can do everything, or that this AGI is this. And now AGI is getting recast. AGI is, let's say, the AI that, basically, is able to reinvent itself and build new models on its own, okay? So anyone who says, now, well, AGI is just a version of a model that can now, not only code but then refactor software. Everyone's trying to recast AGI because of a lot of aggressive comments about AGI from a few years ago. So let's just come back here [inaudible 01:16:05] it's now being recast as super intelligence. The reality is, you can see these large language models are actually hitting the upper limits of their existence. They are themselves finite datasets built on the internet, built on finite sets of algorithms. And we can see what those are and what they are not. There's no question about that, okay? But that idea that they're valuable, yeah, you can use them coupled with enterprise software to do some incredible things.

Speaker 6 (01:16:38):

Great. Thanks, Marc. Operator, we'll take our last question now please.

Speaker 5 (01:16:42):

Your final question will come from Raimo Lenschow with Barclays.

Raimo Lenschow (01:16:47):

Perfect. Hey. Just to wrap it all up together. If you think about it, you have more sales guys, as Miguel said, and the agents should help you to get more productive. Tell me about your confidence about the growth outlook going forward. Thank you. Could be a short answer.

Marc Benioff (01:17:09):

Well, I think that Miguel was actually putting together a pretty compelling narrative around what we think is happening inside of our own company. And you can see it in the numbers, if you look closely enough, they're pretty exciting. And this is not a company in crisis, this is a company that is accelerating and doing things in new ways. As it going through a huge innovation cycle is innovating organically and inorganically and has incredible levels of customer success. But there is something bigger than that. I'll just let Miguel repeat what he said before because it was so subtle but yet so important. Because it's our growth ladder and it's our narrative on why we think we're going to see some incredible growth over the next six to eight quarters.

Miguel Milano (01:17:58):

Thank you, Marc. I think, Raimo, you're thinking more about how the booking acceleration might flow through the top line revenues. Robin already alluded to that. My focus is accelerating bookings. I'm very happy with the execution of my team. I'm very positive about what is coming ahead not just in H2 but also what is coming in the next fiscal year. We're already thinking about the next fiscal year. We wouldn't be investing at the rate that we are investing with a lot of intentionality in the areas that are growing, in the areas that have higher margin if we didn't see a great opportunity.

(01:18:45):

We're sitting with Agentforce and Data Cloud in thousands of customers. I'm already seeing customers that have refilled the tank. We call it refill the tank when they come back and buy more data or more Agentforce credits. There is a customer that in just three or four months, they refilled the tank three times. I gave you the example of Falabella. When we have thousands of customers and we're going to have billions, billions of agents working. This is digital labor at scale, working in thousands of companies, just consuming, just operating, just driving value to the customers. And customers are going to need more credits, more fuel, and I see a bright future. The bookings are very strong and I'm very confident in the future of the company.

Raimo Lenschow (01:19:35):

Thank you. Yeah, me too.

Speaker 6 (01:19:38):

I appreciate everyone joining the call today, and I want to remind everyone to tune into our product innovation webinar on Friday. We'll have a session focused on Agentforce adoption and Customer zero. Look forward to seeing you all then and over the coming weeks. Thank you.

Speaker 5 (01:19:52):

Thank you for joining [inaudible 01:19:53] may now disconnect.

PART 4 OF 4 ENDS [01:20:05]