



## Salesforce, Inc. Q4 FY26 Earnings Conference Call | February 25, 2026

Leila:

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 fourth quarter and full year fiscal 2026 conference call. This conference is being recorded and all lines have been placed on mute to prevent any background noise. After the speakers' prepared 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 investor relations. Sir, you may begin.

Mike Spencer:

Good afternoon, and thanks for joining us today on our fiscal 2026 fourth quarter results conference call. We are trying out a new format today, and as such, have shortened our prepared remarks to ensure we have time for your questions. Our press release, SEC filings and a replay of today's call can be found on our website. Joining me on the call today are Marc Benioff, chair and CEO, and Rob Washington, chief operating and finance officer. We also have Miguel Milano, president and chief revenue officer, and Patrick Stokes, president and chief marketing 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, 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. 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 our press release. And with that, let me hand the call to Marc.

Marc Benioff:

All right. Thanks so much, Mike. We're so thrilled to be here with everybody. And I'll tell you what, we're here in this beautiful San Francisco on the 60th floor of Salesforce Tower and it is a gorgeous day, 70 degrees, the AI capital of the world, and we're coming here to you live. Really excited about everything that's going on. So let's start with the highlights from one of the absolute best years in our history and one of the best performances in software ever, and guiding one of the best performances in software ever. We have delivered phenomenal performance across revenue, across margin expansion, across cash flow and CRPO and RPO. I mean, the numbers are really incredible. For the full year, we delivered 41.5 billion in revenue, up 10% year over year, 9% constant currency. We had 11.2 billion in revenue for the fourth quarter, up 12% year over year, 10% constant currency.

CRPO rose to 35.1 billion, up 16% year over year and 13% in constant currency. And we passed an incredible milestone with 72 billion in total RPO, which is up 14% year over year. Now, that is 72 billion in total RPO, up 14% year over year, in case you missed that point. I did read a tweet that RPO does not matter, but evidently, we have it if it does matter. So total RPO, 72 billion. Last year, we laid out a path towards double-digit revenue growth by the second half of fiscal year '27 and we're hitting our marks. And based on our strong Q4 performance and the fast start with Informatica, we're updating our fiscal year '30 revenue target to 63 billion.

Now, that means we've only spent two years at the 40s, kind of hard to believe. I have never seen performance like this, but this obviously is not a rational market. We all know this. So we're using our remarkable cash flows to take advantage. This is not our first SaaS apocalypse. We have been through many SaaS apocalypses. I remember the horrible SaaS apocalypse of 2020, when not only the software industry was dying, but we were all dying. But we made it through that and now, everyone is back, doing great. So we're so grateful to make it through that and we're going to make it through this one as well. And it's just in a great marketing opportunity and a great buying opportunity, and that's why we are doing this incredible repurchase authorization to \$50 billion. In fiscal year '26, we returned more than \$14 billion or 99% of our free cash flow to shareholders. Thank you, Robin, for that. And today, we're increasing our share repurchase authorization to \$50 billion because these are some low prices. So Robin will share more about that in a moment.

The biggest brands in the world are choosing Salesforce to lead their agentic transformation. Companies like Amazon, Ford, AT&T, Moderna, GM, Pfizer, so many, and these are big deals in Q4 wins over a million. We're up 26% year over year. That's just so we know, in Q4, wins over a million. We're up 26% year over year. Congratulations, Miguel. Wins over 10 million, we're up 33% year over year. For example, the US Army run by Army secretary, Dan Driscoll, is doing an amazing job, has awarded us a 10-year indefinite delivery, indefinite quantity contract with a ceiling of \$5.6 billion. Thank you, Dan. This level of financial performance is a clear signal, a clear signal that companies across every industry and region are investing in Salesforce to become agentic enterprises. Just like we've been talking about now for two years at Dreamforce that the agentic enterprise is a real idea and we're going to talk about Agentforce, and I think it just became an \$800 million business. We're going to talk about that.

You've heard me talk about it at Dreamforce and on these calls, our vision of humans and agents working together for years. Companies bought apps. We all use apps. I've got apps right here on my phone. I've got apps on my computer. But now, I'm using apps and agents. I use them at home. I use them in my company. We can pretend talking about that. That is a reality. We have 83,000 employees here at Salesforce, humans, and we have lots of agents running around as well. Miguel qualified 50,000 leads this week with agents. So we have apps and agents, we have humans and agents working together. We've been talking about that at Dreamforce as well. And this is just an incredible opportunity for Salesforce. Our market is bigger than ever, because not only are we selling apps, we're selling apps and agents. So bringing humans, agents, apps, and data together, not just to make people better at their jobs, but to redefine how work gets done. This is just an incredible exciting moment in software.

So we're seeing incredible demand for Agentforce. In its first 15 months, we closed 29,000 deals, up 50% year quarter over quarter. Customers and production have increased as well, nearly 50% in Q4. It can do more, have more power, more capability than ever. If you haven't seen the new Agentforce, you haven't seen Agentforce, the level of determinism, the voice capabilities, Agentforce studio, Agentforce builder. We are spending a huge amount of time on Agentforce. I just saw the new Agentforce demos from our team. It was incredible. We even have Agentforce running in Slack. We have Agentforce builder running in Slack. We have amazing things happening and our Agentforce and Data 360 ARR including Informatica, now exceeds 2.9 billion. I heard ARR doesn't matter anymore, but in case it does, we have 2.9 billion, up 200% year over year. More than 75% of our top 100 wins in Q4 included both Agentforce and Data 360.

In a bit, we're going to hear from three amazing customers. Wyndham, one of my very favorite customers in the world, the world's largest hotel chain. Shark Ninja, I just got one of their great new products, I'm sure you know about. They've got the best SLUSHi machine. But one of the most innovative consumer product companies in the world, Ancestry, an incredible community of B2B software founders, executives, investors. And I think you all know that I love Jason, but I've never been more excited about our business here at Salesforce. No one else is delivering this level of capability at this scale to this many customers. And we are taking the power of the agentic enterprise of these apps and Salesforce, and we're giving them the security, reliability, availability, scalability that you need to

make them successful in business like ours, but in all businesses, in small and medium businesses and general size businesses, and very large enterprises, in the government and in ISVs as well.

So this is a category that just did not really exist a year ago. I will just say that, look at IT service management. We just launched Salesforce IT service in October, Salesforce ITSM, and in just a few months, Miguel has won over 180 customers. Amazing, Miguel. But I especially loved five customers who got to leave the purgatory of ServiceNow, like Sunrun, Cornerstone CoolSys. And there's others too that we're not allowed to mention, but I might mention them anyway, who are leaving ServiceNow, now for the new Salesforce IT service product, which is about apps and agents, helping you manage all your ITSM. But don't just think it's just that, we built an amazing new life sciences product this year, Agentforce for life sciences. And since we launched so many of the global pharma companies, and I've met with so many of the CEOs myself, they're leaving Veeva, the purgatory of Veeva, including AstraZeneca, Novartis, Takeda, and of course, Albert at Pfizer. They're all saying that they are going to Salesforce life sciences, which is a product that has apps and agents.

And this is amazing. They are the most regulated businesses in the world and they're choosing Salesforce. And over the years, I've met with untold numbers of customers, call it thousands, call it more than that. They used to tell me that maybe, "Okay, I want to roll my own AI, I'm going to build my own model, I'm going to build my own agent." I said, "Tell me about that. Let me know how that goes. Show me exactly what you're doing." Or you can just turn it on in the Salesforce product you already have. You have Sales Cloud, turn on the agents, you have Service Cloud, turn on the agents, you have Marketing Cloud, turn on the agents, you have Slack, turn on Slackbot. And that idea that every app now has the capability to have agents.

So customers tell me that they want to basically, get to that next level. And the way to do that is by including this context, the ability for the AI, the data to know you. No better example of that than Slackbot. Immediately as you turn it on, you're a Slack customer, it looks at all your Slack, it looks at your DMs, it looks through Salesforce, it looks through Google, it looks even that Microsoft Teams, as hard as that is for some agents to go and do, but we've told them how to do it. And then it says, "I understand your business and I can give you help, advice, support." And

Marc Benioff:

And in fact, a recent survey of 100 CIOs found that the number of companies planning to use a platform like this, this idea of apps and agents has now doubled just in the last 18 months, because of this. They realize this is more than just turning on Multbot on your Mac Mini, which by the way, I have a Mac and the setup is great. Open Claw, I love it. But for companies who want to have the reliability, availability, security, the sharing models, the key parts of that to really make sure that the business is safe and secure while you're running all these skilled agents, well, let's just know that that is what Salesforce is doing. And that's why Salesforce has become one of these incredible companies, because our platform provides these amazing four layers that you see right here, that everyone needs to convert raw intelligence into real work. Everything they need to become an agentic enterprise.

Just look at this, look at what we've built, look at what we have built, and thank you to our team. They have done a phenomenal job. Srinu can't be here because in India. He was at the India AI Summit this week. He could not make it back here in time. Look at what our engineering team has built, and thank you to them. Look at where it starts. First of all, yes, we can use all those large language models. We love them all. We love all of our children equally. And down below here, whether it's Anthropic, or OpenAI, or Mistral, or Llama, all of them, and there's more coming. They're amazing. World models are coming, they're amazing. They're all down below here and we're using them. And then of course we bring them into Data 360, and that lets you harmonize your data, integrate your data and federate. That means connect into other data sources throughout your company and grab it.

Other data repositories, you might be using Snowflake or Databricks, you might be using BigQuery, anything, even IBM mainframes, and you can bring it into Data 360, activate your data, and then it comes up into your apps. So if you're using the service app, and you want to have an experience like Help.salesforce.com for your company, now the service app has that agentic capability. The datAEs coming up, and it comes up to the next level to Agentforce, and you can build your agents, train your agents, put the guardrails in your agents, give them voice, they can talk now. They're talking. And then all of a sudden you can even manage, and orchestrate and collaborate from Slack. So this is our architecture, and all of this is unified, integrated, and that idea that we can deliver this unified

platform to our customers to help them deliver humans and agents working together. So you can see right here, Agentforce has the tooling to build, to manage, to orchestrate the agents, to make them talk, to give them determinism, to give them the capabilities that they want. And then we have the engagement layer to deliver Agentic Enterprises where work happens, in Slack across our apps. If you haven't seen Slackbot. I talk to a lot of customers, they're like, "I don't see Slackbot. Why use it? I have the free edition." I'm like, "Well, maybe you should pay us and get the Enterprise edition." Goes, boom. That's when all the Slackbot turns on and you can go through your whole company, run your company.

I had one of our customers over last night, Aneel Bhusri, Workday. I'm like, "Have you seen Slackbot?" Aneel is like, "No, I haven't seen it yet." I'm like, "You're the biggest Slack customer we have." I'm like, I just sit there and say, look at this. And I'm like, said to Slackbot, I'm having drinks with Aneel and I just am trying to give him a demo of Slackbot. What should I say to him? What is the strategy between Salesforce and Workday? And then boom, boom, boom. It just went through the whole thing. Showed him every deal. He couldn't believe everything that was happening between our two companies. He had to get updated because he is the new CEO of Workday, and it was amazing. That was my real experience.

Together, all of this is the complete operating system for the Agentic Enterprise. Yes, I'm using it myself and we're using it. We're customer zero. And that's crucial because look, we already know now, our customers aren't going to deploy just one agent. There's going to be many agents, many capabilities, the ability to automate many different types of work, and they're going to deploy hundreds or thousands. Many are going to be from us, others can be from other amazing companies like that one that I just mentioned, Workday. I love them. But these agents can't work in isolation. Like ET, each one of them needs to phone home.

So that home is Salesforce, and they are calling us through the MCP server, or maybe even just through one of our core platforms. And the more agents that our company deploys, us or anyone else, the more essential our platform becomes. This is my personal testimonial. I'm giving you my personal testimonial of how I run Salesforce. You can come here. I will show you how I run a business with apps and agents together. And it's why nearly 90%, 90% of Forbes Top 50 AI companies, Forbes Top 50 AI companies use Salesforce and Slack. And if there is a SaaS apocalypse, I think it might be being eaten by the SaaSquatch. Because there are a lot of companies using a lot of SaaS because SaaS just got a lot better with Agents as a Service.

Now, I won't tell you exactly tell you what that says, but let's just say there's SaaS and there's also Agents as a Service. Now, I want to tell you how we're measuring the value our platform delivers to customers. Today, we are one of the largest consumers of tokens in the world to date, now over 19 trillion tokens. So we continue to show you that because we want you to see that we're actually doing what we say. I know that there's been some enterprise software companies who say they're doing agents or they're doing AI, but then they're not showing up in the token rankings from the language model companies. So here's 19 trillion, but we really want to take this to another level. And another level is a token on its own doesn't know your customers, your pipeline, your org chart, but Salesforce does, and the value isn't in the token. The value is in what our platform does with it, the work.

That's why today we're introducing an additional metric, the agentic work unit created by our very own Patrick Stokes sitting here at the table. The AWU, not to be confused with our customer, AWS. An AWU represents one unit of AI work, Agentic Work Unit. We're rolling this out to see how you like it actually here in earnings, it's a record updated, workflow triggered, decision made. MCP called. And to date, AI agents on the Salesforce platform delivered 2.4 billion Agentic Work Units. That is where AI isn't just thinking or calling things, it's getting work done, work done, transactions. And in Q4 alone, we delivered about 771 million of them.

We are still trying to exactly figure out exactly what these numbers mean for us, but what it means for me is that we are doing what we say. That is, we are explaining that humans and agents are working together. We are showing you a business at scale running them. We are showing them how we are making our business better. Our service is so much better this year because we're using our new service cloud with our Omni-channel supervisor deployed with Agentforce. Our sales, Miguel just hit record sales numbers. You can see them. We've never sold or had so much ACV in our history in the fourth quarter, because not only does he has his 15,000 account executives, but he has all these agents who are out there doing this amazing work.

So that is so exciting. This is raw intelligence converted into the real work. It's driving efficiency and growth. Now let me tell you about one of the biggest drivers of these work units, Slackbot. A lot of you use Slack. I use Slack

every day. It's the ultimate employee agent and many of you know that X, the social media platform, hosts about 500 million messages a day. Elon must do an amazing job on X, incredible what he has done. But did you know that Slack hosts about a billion messages a day? So while X, amazing X, I use it myself, I just tweeted something, 500 million messages a day. Well, Slack is hosting a billion messages a day. And remember, every one of them is about getting work done. That's why we bought it. Remember Slack's ticker symbol was work.

Slackbot can access all of those messages as well as your files, your calendar, your Salesforce, your Google, your Microsoft Teams, your this, your that. Slackbot goes around, pulls it all together and then it knows your business. So then it's able to orchestrate with other agents. It has an incredible partner marketplace. Really the number one AI ecosystem in the world, and has more than 350 AI apps and agents already. There is no other AI ecosystem like it. One of those partners is the great Anthropic. We love Anthropic, we love Dario. Daniella, I tweeted about what they did yesterday, incredible demo. Just yesterday, Dario demonstrated how he is doing something amazing with Salesforce in the enterprise. Every single one of their demos, whether it was for HR, engineering, investment banking, started and ending in Slack. Pretty awesome. And so it's about agents and apps, humans and agents, it's all working together. You can see it in his demos. You can see it in our demos.

By the way, Anthropic runs its whole global operation on Salesforce and Slack. I think actually every AI company does. Yeah, I think they do. So maybe you saw they're hiring a Salesforce admin, Dario. Let us know if you need new names, but I think it's just a point we're making that Salesforce is doing great with these AI companies. We're so thrilled of our relationship with Dario, and I think we just put [REDACTED] into the new round. We're up to about [total investment] into Anthropic invested, is almost about 1% of Anthropic. And believe me, I wish we had invested a lot more, John, I don't know why we didn't do more. Okay with that, it's time we're going to hear from some of our most inspiring customers becoming Agentic Enterprises. We have the great Mark. Mark, I see you. Mark is there from Shark Ninja. Hey Mark.

Mark:

Hey Marc. Congratulations to you and your team. What a quarter.

Marc Benioff:

Mark, I'm so thrilled to talk to you and I love all your products, and thank you for the Christmas presents. I have them and I'm using them.

Mark:

Appreciate it. I'm really happy that so much of our holiday selling season was really driven by the launch of Salesforce. That as you know, happened at the end of September and would love to talk to you about it.

Marc Benioff:

Well Mark, you know that we've been working together now, just me and you as well as with our whole sales team to make, we can automate all of Shark Ninja. We want to automate your sales, service, marketing, your commerce, everything you're doing. I'm so excited about your future. We have our best team working with you. Give us your view of what's happened and the value we've been able to deliver. What's your biggest surprise? What went in the slushy machine, what came out?

Mark:

Look, Marc, we launch 25 products a year and we're really innovating at speed, and we need customer service solutions that move just as fast. Most companies treat service as a cost center. For us, Marc, it's really about lifetime value of the consumer. We view service as a growth engine for the business. And it's not just about servicing problems, it's about building lifetime value. We set up with you and your team, a guided shopping agent in eight weeks right before the holiday season. I was nervous about it as I went to my team and I said, "We're putting this in place in October. There's generally a cut off in our business where after October 1st you don't really do anything." And we launched this in eight weeks, and it brought tremendous value to the consumer. It helped

them with researching, and buying, and troubleshooting, really all in one seamless conversation. So it was a great success for us this holiday season.

Marc Benioff:

Well, Mark, I think that working with you has been extremely interesting, because you're very much a B2C company. And there's so many exciting things that you're doing. When you look at what Salesforce has done and deployed, especially in regards to AI agents and apps, where has it really impacted you the most?

Mark:

Well, look, let me start with this stat for you. Just since we launched Salesforce in Q4, agents have participated in a quarter of a million consumer engagements during that period of time. So just in a really, really short period of time, a quarter of a million engagements. We put so many products out into the market, and sometimes that many products creates complexity for the consumer. And so whether they're calling about a service issue, or a troubleshooting issue, or a where's my order issue, it's allowed our customer service agents to focus on really the really challenging issues. And it's freed up an enormous amount of time for them. It's a win for the consumer because the consumer is getting their questions answered quickly. They're not waiting. And it's a win for us because it's driving down cost, and it's in the end just having a better service experience.

Marc Benioff:

Well Mark, I just want to thank you so much. We're so grateful to you as a customer of Salesforce. It has been an absolute pleasure getting to know you, working with you, and I think that we have such a great future together, and thank you for the Christmas presents. I'm using them. I have made some amazing mango sorbet actually this week and it was awesome.

Mark:

Sounds great. Thanks Marc.

Marc Benioff:

Bye Mark, great to see you. Well, I've been so thrilled to work with Mark, but I have to also introduce you to another really good friend of mine, Jeff at Wyndham, and you probably heard from Jeff this week. He had a phenomenal quarter doing great, the number one hotel in the world. Jeff, we are so thrilled. Jeff, congratulations on everything that's going on with Wyndham. We're thrilled. Give us your vision of what's going on in the world, and with Wyndham, and we'd love to hear how you're using Salesforce as well.

Jeff:

Well, we have, Marc, when you think about just how far we've come in the last year, today we have over 5,000 deployments of Agentforce across our over 8,300 hotels. It is a huge, huge part of our agentic platform and we are really just getting started. We're starting to roll out to Canada and internationally. But with Salesforce tools like MuleSoft, and Data 360, we have built a single source of truth. Unifying all of our guest reservation information and data, all of their loyalty information, and all of their CRM data so that all of our agents now are operating with the same trusted in real-time guest and hotel information, which they weren't before. We're calling it Wyndham Guest 360. It is a key enabler for our Agent Foundry, and it is delighting in better guest experiences, improving those experiences and building on increased loyalty engagement. But most importantly, Marc, you've talked a lot about labor, which is agentic. It is taking millions of dollars of labor costs from our small business owners in the front office out of their operation, and it is driving millions of dollars of increased revenue for these franchisees.

Marc Benioff:

Well, I just have to say this one thing, which is I have been hugely surprised at how fast you have gone, Jeff. We work with all the major hotel companies and I love them all, and I stay in them all. They're fantastic. I'm actually

going to stay at a Wyndham hotel tonight. I'm flying East. But I have to ask you this question, Jeff, because I don't understand. How are you going so fast? What are you doing? Is this because you're leading from the top? You seem to, I just talked from Mark at Shark Ninja, he really is owning this. Why are you guys going so fast? Why are you doing so well? It's just incredible. You're loading out these apps and agents, your team is crushing it. What is going on?

Jeff:

We're in the hospitality business and we always say it's all about humans. Yes, but it is humans, as you've always said with agents, who are driving that customer success together. Think about our customers. Before our integration with you all, our agents had to spend time gathering basic guest information on who Marc Benioff was before he checked in tonight. And that was not easily at their fingertips. Or even worse, asking Marc for his information that we should have had. Our agents now have encyclopedic knowledge. Think about it, of all of your guest history, all of your booking behavior, all of your loyalty status, because we tied it all together, giving us an ability to answer any question imaginable that any guest like you might have before you check in tonight, before your stay, in moments, not minutes. And we're booking you into your preferred room based on our knowledge, our guest Salesforce knowledge of your past stay history.

We are successfully working now, I hope to upsell you a suite upgrade if we haven't already, an early check-in. Sounds like you're getting in late, a late check-out tomorrow if you'd like one. I don't know if you have pets, but if you were, those agents would be selling you a pet fee, or an F&B amenity for your pets.

Marc Benioff:

Don't tell my dogs about that. They're going to jump in,

Jeff:

But look, this is all being done autonomously, which small business owners and operators would not have had time to do before. We have been working so hard. It is generating so much money. We're seeing faster average speeds of answer, zero hold times. I've heard you talk a lot about why no customer should wait, and that's why we're doing it. We're receiving, and we're removing more importantly millions and millions of dollars as I said, in the front office. But we're generating millions of dollars of increased ancillary revenues to these small business owners. It's not costing them anything. And we're also seeing which is really, really important, a 200 basis point increase in direct bookings from AI voice agents and AI voice agent conversion, versus having to get those bookings through expensive third party online travel agencies. That is increasing guest satisfaction. Our guest satisfaction scores are up 400 basis points. They've never been higher, and this customer experience that we've created is more efficient. Again, humans with agents driving customer success, we're agent first and we're very proud of it.

Marc Benioff:

Well, I just want to thank you so much, Jeff. Thank you and thanks to your team. Because I'll tell you, it takes a great leader like you, but it also takes a great team. And you've got both, and you've made something really incredible happen. Great job and congratulations.

Jeff:

We're proud to be with you. Our Chief Commercial Officer was on stage with you at Dreamforce.

Marc Benioff:

I know, you did a great job.

Jeff:

Scott Strickland, and we'll be back this year.

Marc Benioff:

See you, I hope you come to Dreamforce this year. Bye, Jeff. All right, well, I want to now introduce you to an incredible person who I've known for 20 years, and it's a very inspiring entrepreneur who's really become a huge influencer in the world, who's getting his hands dirty at the great company called SaaStr, building agents, learning how they work, deploying them. Really being on the bleeding edge, the cutting edge of this technology, and thanks for being here, Jason. I'm so thrilled to have you.

Jason:

Super exciting. Yeah, congrats on the quarter, by the way.

Marc Benioff:

Jason, I just want to ask you one question. What is it that's making this happen? What is inspiring you to transform yourself, and transform SaaStr to this incredible opportunity?

Jason:

Well, maybe two things. We're builders. I think you were on Radio Shack computers or something back in the day. We've been building since we were kids.

Marc Benioff:

Right down the street here in Burlingame.

Jason:

We're builders at our heart, and this is the most exciting time to build ever, ever for us as executives, entrepreneurs. Honestly, if you're not excited to be building Agentic agent you should quit. You should go off and go to pasture, do your next thing. So we backed into agents because I got tired after our own big event, of rebuilding the team. And we went all in and we said, "I want to try to rebuild the whole team with agents", about almost 10 months ago. Agentforce was a key part of that and we wanted to push it early. Can you really do all of this, all these go-to-market motions with agents?and the numbers are pretty good.

Marc Benioff:

Well, you've been a pioneer. It's a funny thing because in our own independent world, here we are, we're out here building Agentforce, Slackbot, you know that. We also acquired Momentum, and we acquired Qualified and so forth. We're so excited about these companies. And then all of a sudden, whoa, you were building our vision of the future totally independently, and so we felt very validated in a way. It was crazy. But then we looked at you and said, "Wow, this is a true visionary." And you really have always had a lot of clarity, not just in SaaS, before that, you know that. And now here you are as Agents as a Service as well. You have your vision there now as well. So I guess once a visionary, always a visionary. But give us your vision then. Where are we going? Because you've heard about the SaaSpocalypse, and you know that this isn't our first SaaSpocalypse. We've had a few of them. But now, where are we going over the next couple of years?

Jason:

Well, and I think this is good for Salesforce, but I think we're underestimating how powerful these agents are. I think look, for most people, AI is confusing. The media is confusing. What the hell is going on? Let me simplify this. I was just looking at our numbers on Agentforce this morning. So far, and again, we're a small organization. We went from 15 humans to two and a half and 20 agents. Okay, that's a lot of change. But on Agentforce alone as a tiny organization, we've closed \$2.7 million. That's not the Army contract you got, but that's a lot for us, 2.7 with an agent. And we have \$3.5 million more in the pipeline. Those are agents, and it works. And so that is exciting. That is exciting that these agents can go out and sell for you. And the first thing I did-

Marc Benioff:

It is crazy and amazing, isn't it?

Jason:

It's crazy. Not only was this not really possible a year ago, and the problem all of us, we were using Chat GPT in the early days. It was all hallucinations. It was hard to believe this stuff would work even 18 months ago, wasn't it? It was hard to believe. But everything got okay last summer, and then at the end of the year it got great. And there's reasons that at Salesforce, it got great. But to be nerdy, even at Anthropic, your customer, when they rolled out these four dot models, up to four or five for B2B stuff like we do, it wasn't a little bit better. It was like jaw-droppingly better. The hallucinations will be worse than a human makes and the productivity is high. So it's, we've never seen these gains, and the idea that now our Salesforce instance can run autonomously versus doing manual data entry, this was always a dream.

Marc Benioff:

I want to tell everyone exactly why I wanted you here. Because number one is yes, we love by the way, Mark at Shark Ninja was awesome.

Jason:

Great.

Marc Benioff:

And then we had Jeff at Wyndham, and these are very big companies, good-sized companies. And not the biggest companies in the world, but incredible companies. But you're a small company. You're in some ways a solopreneur, right?

Jason:

On the edge.

Marc Benioff:

You're an entrepreneur. And I think that it is going to go across the whole market. That is small businesses are benefiting, medium. We call small business zero to 200 employees, maybe that's where you are. Then we have 200 to 2,000, medium. Then we have the 2,000 to 5,000 in general business. Then we have the 5,000, the monsters. Then we have the government., we have software companies. Every segment is impacted by this. Don't you think? Every company is impacted?

Jason:

I think everyone is going to look at their business and say, "What can I fully automate with an agent?" You're going to unleash a torrent of creativity. The key thing that I've learned for folks is, just start with one use case. For us, it was the idea you came up with last summer, reactivate the leads the sales team never talked to. That was our first use case. Find something, or with Wyndham-

Marc Benioff:

That's a huge thing, right? Because what if there's 20 million, 30 million, we don't even know, maybe 100 million people we didn't call back in the last 26 years, but Miguel called back 50,000 people with agents last week that we would not have gotten to. Even though he has got all these reps, he still doesn't have the ability to call everybody back. It's amazing.

Jason:

We did 3,000 with Agentforce. I was just looking at a couple examples. We closed a \$250,000 customer this week. But the first one with Agentforce was Freshworks. You know Freshworks. They do support and a bunch of other stuff, but they've changed. Girish isn't the CEO anymore. The marketing team's turned over, we don't know anybody. The agent found the right person and closed the deal. That's magical. That wouldn't have really been possible without agents and AI.

Marc Benioff:

Is it exciting?

Jason:

Yeah, it's just like.

Marc Benioff:

That's exciting, right?

Jason:

It's exciting, and the fact that every company can start with something here, they can reactivate something, or even with Wyndham responding after hours, and actually my old Head of Customer Success is now Head of SMB at PayPal. They use Agentforce. And he just texted me this morning or DM this morning. They have a broken merchant flow, where folks would sign up to use PayPal and then they would abandon it, like an abandoned cart. They put Agentforce on it and the conversion rates are much higher, but they couldn't get any people to do this. So all of us have some process but there is no one to do it.

Marc Benioff:

That's why I think is so exciting. Because you have humans and agents working together. You're working with your agents. It's the apps, the agents working together. But it's fun because I think that for the last 26 years you and I, we've been in this SaaS industry and it's all been all about apps. And that's now been the apps aren't gone away, because PayPal's still using those apps. By the way, PayPal is a huge customer in sales. B2B, also service, call center, contact center. But now just as you articulated so beautifully, more productivity, more capability, the ability, the lost cart idea. That's where we're finding this ability. So now we're selling not just in the SaaS apps world, we're also selling agents. And yeah, these two are going to be two markets. And who knows, maybe one will be bigger than the other. Maybe they'll both be the same size. We don't exactly know.

We just gave guidance that we're going to do \$46.2 billion this year on revenue. So I can't tell you, and Agentforce is like about an \$800 million business now. So I can't tell you exactly when Agentforce will be a \$46 billion or \$30 billion, but it has the potential to go just like... I'm still planning to-

Jason:

What's 46 times three? help me, you guys. That's how big I think Agentforce will be.

Marc Benioff:

46 times 3 is, 120 plus 18 is 38, 138.

Jason:

I think Agentforce, and I'm not being facetious, I think it'll be \$140 billion business.

Marc Benioff:

Want to do it at the table?

Jason:

Because I think the value is about 3X the software. This is why I think the SaaSocalypse, or SaaSquatchpoloug or whatever, I think there's some truth to this because agents are changing the world. And if you don't have Agentforce, if you're one of the leaders and you're not there, I think it's fair to be concerned. But the value, I wrote this post about how much more valuable Salesforce is us with their agents. It's not a little more valuable.

Marc Benioff:

I read it. It was awesome.

Jason:

It's like 10 times more valuable.

Marc Benioff:

I don't think you were using Salesforce really six months ago.

Jason:

Not really. Our team had shrunk, and the value was we were using it as a data store.

Marc Benioff:

You fired some reps or whatever.

Jason:

Never fired. They left. Yeah,

Marc Benioff:

They left. You know what I mean. But now you have a team of agents and humans, and your company's bigger and more successful than ever.

Jason:

And we're using Salesforce all day long.

Marc Benioff:

And your conference is going to be amazing this year, right?

Jason:

Yeah. And actually what's interesting is not only are these agents using more Salesforce, I just figured this out today, the most dated part of our software stack is a company called Marketo. You'll remember from the old days for marketing automation, right?

Marc Benioff:

Absolutely.

Jason:

Back in the day, very innovative, right? Jaw dropped in the day. We're a prisoner. We're stuck on it. These agents-

Marc Benioff:

I got some things to show you there.,

Jason:

But the agents, our Salesforce agents have taken all of that data and put it into Salesforce. So now Salesforce is accumulating all the value from all these other stores and becoming the hub. So that's why whatever the math is, I'm going to bet on the 150. It might take eight years, but I think the Agentic side is worth three to four times the software side.

Marc Benioff:

A plus. Great job. Thanks for being here. We really appreciate you joining the earnings call.

Jason:

It's great. Thanks everybody.

Marc Benioff:

Thanks. All right, there we go. We just had three great customers. We gave some numbers and now I'm turning it over to you, Robin, take it over.

Robin:

Thanks, Marc. What an amazing trilogy of three great customers.

Marc Benioff:

Congratulations on such a great quarter.

Robin:

Oh, absolutely. On a great year. We're going to turn to the numbers and tell everybody about it. So good afternoon. We closed an exceptionally strong fiscal year. We have rebuilt our platform to convert the raw intelligence of LLMs into real work, that drives revenue as we just heard about, reduces costs and scales reliably without limits. This is powering the transition to the agentic enterprise for our customers and ourselves. So to share a few data points, as expected, as Marc said, we had a great quarter, a great year. We finished the fiscal year '26 with second half net new AOV growth ahead of second half AOV growth. Agentforce and Data 360 ARR inclusive of Informatica Cloud ARR, reached \$2.9 billion. That's up over 200% year-over-year. This includes Informatica Cloud ARR of \$1.1 billion and Agentforce ARR of approximately \$800 million, which is up 169% year-over-year.

New bookings for Agentforce One edition and Agentforce for apps, or as we call it A for X, our most premium SKUs nearly tripled quarter-over-quarter. Our consumption flywheel is spinning faster than ever. In the quarter, more than 60% of Agentforce and Data 360 bookings came from existing customers expanding their commitments. Looking at our largest deals, every single one of our top 10 wins included Agentforce, data, sales, service, platform, and analytics. Our newest addition to our portfolio, Informatica, landed in six of those top 10 wins, proving it is a critical component of us building the data foundation for the Agentic enterprise.

So let's dive a bit further into these incredible results. Subscription and support revenue grew slightly above 10% year-over-year in nominal and constant currency. Total revenue was \$41.5 billion, up 10% year-over-year in nominal and 9% in constant currency, driven by Agentforce, Data 360, Slack, Agentforce sales and service performance. InformaticAEs Q4 results also outperformed our expectations. This strong performance was partially offset by continued weakness in marketing and commerce, weaker than expected Tableau performance, and the on-prem revenue timing in Tableau and MuleSoft we shared last quarter.

Q4 revenue attrition ended the year at approximately 8%, in line with recent trends. Our current remaining performance obligation or CRPO, ended Q4 at \$35.1 billion, which was up approximately 16% year-over-year in

nominal and 13% in constant currency. Driven by strong net new AOV, especially in Agentforce, Data 360, Slack and sales. This does include a four point contribution from Informatica. Our top priority remains accelerating growth. Based on our FY 26 net new AOV performance, we are more confident in our path to re-accelerate organic revenue in second half FY 27 as outlined at Investor Day. Given our strong net new AOV performance and the incorporation of Informatica, we are updating our FY 30 framework as follows. We are now targeting FY 30 revenue of \$63 billion, which represents an 11% CAGR from FY 26 to FY 30. We remain on track to rule of 50 by FY 30, and we are pleased that with our continued focus on operational excellence, we delivered 60 basis points of expansion in FY 26.

As we think about FY 27 and fueling our framework, we are making targeted investments, including advancing our HyperForce third party infrastructure for trust and security, ramping our AE capacity, and scaling FTEs to drive adoption. These investments are partially funded by efficiency we've unlocked becoming the Lean Agentic enterprise, as our own customer zero. Before we turn to guidance, a quick update on capital allocation. I'm proud to say that we have achieved all elements of our Investor Day commitments, including capital allocation. Also, our board has approved a 5.8% increase in our quarterly dividend to 44 cents per share. Additionally, and as you've heard, given the current stock price dislocation, the most prudent investment we can make is in Salesforce. We are updating our share repurchase authorization to \$50 billion.

Robin:

So let's talk about FY27. We are initiating fiscal year 27 revenue guidance of 45.8 to 46.2 billion, growth of approximately 10 to 11% in nominal and constant currency. We expect subscription and support growth guidance of slightly under 12% year-over-year, or approximately 11% year over year in constant currency. This is fueled by continued momentum in Agentforce and Data 360, partially offset by weakness in marketing, commerce and Tableau. Our non-GAAP operating margin guidance is 34.3%, an expansion of 20 basis points. As I mentioned, this is the year where we are making further investments to fuel long-term growth and ensure customer success with Agentforce. We expect GAAP operating margin of 20.9%, an expansion of 80 basis points. Turning to Q1 guidance, we expect revenue of 11.03 billion to 11.08 billion, growth of approximately 12 to 13% in nominal and 10 to 11% in constant currency.

CRPO growth for Q1 is expected to be approximately 14% year-over-year in nominal and approximately 13% year-over-year in constant currency. Clearly, we are executing against our FY30 framework, accelerating growth and investing with discipline, including investing in Salesforce via share repurchases. Before we wrap up, to better reflect our agentic enterprise strategy, we are re-evaluating our revenue by cloud disclosures in FY27. So stay tuned for an update on this disclosure prior to our Q1 earnings release. Finally, a big thank you to all of our employees for their dedication and hard work delivering a very successful FY26 and onward to an incredible FY27. Mike, I'll turn it over to you.

Mike Spencer:

Thanks Robin. And with that, Leila, we're going to go to the first question, please.

Leila:

Thank you. At this time, if you would like to ask a question, please click on the raise hand button, which can be found on the black bar at the bottom of your screen. If you have joined by phone, please dial \*9 on your keypad to raise your hand. When it is your turn, you'll receive a message on your screen inviting you to become a panelist. Please accept and wait until you are promoted to a panelist. Then you may unmute your audio, turn on your camera and ask your question. As a reminder, we are allowing analysts one question and one related follow-up today. We will now pause a moment to assemble the queue, and your first question will come from Keith Weiss with Morgan Stanley.

Keith Weiss:

Excellent. Thank you guys for taking the question and congratulations on a really nice end to FY26, particularly when it comes to the Agentforce numbers. The Agentforce numbers are definitely eye-popping, getting to a big

scale and still growing at really, really high rates. But on the other side of that, CRPO perhaps was a little bit disappointing. On an organic basis, you grew that at 9%, just in line with your guidance, and typically we expect a little bit of a beat, a hundred, 150 basis points of a beat, and I think that's stoking some concern with investors. Can Salesforce do both? Can we grow a big Agentforce business and sustain the growth and momentum in the broader Salesforce portfolio? Can we bring along the entirety of the business? So can you talk to that aspect? Can Agentforce catalyze the broader Salesforce product portfolio? Can it bring along everything and what gives you confidence in that acceleration on the back half of the year?

Marc Benioff:

All right, well, I think that that is absolutely a great question and I think the reason why it's such a great question is because Salesforce is just, as you said, it's a comprehensive business. We're closing new business, new ideas. We have building new technology, and we also carry with us that we are a subscription business. So we're carrying with us our legacy as well, and we're renewing and moving that legacy business forward. That's also one of the exciting parts of Salesforce because that also gives us the predictability to understand what's going to happen in the future fiscal years. So yes, we are innovating, we're creating the future, we're adding to the future. We're also renewing our customers, and I have to tell you, we're just very proud actually of the numbers.

I mean, this fiscal year is far better than I expected it at the beginning of the year than the fourth quarter. Actually even in the third and fourth quarter. Miguel's numbers were far exceeded my expectations, and to your point, Agentforce also and also Data 360 are exceeding our expectations. And yes, could we sell more? Could we renew more? Can we do more? Can we do this? Can we do all these various things? We absolutely can, but we are very grateful for what we've been able to achieve so far. Robin, do you want to add to that?

Robin:

Yeah, I agree with that. I think we're monetizing AI key through many different fashions. We've got multiple ways to monetize. We're seeing great growth, as I mentioned in our premium SKUs. We're seeing acceleration. I think just listening to the three customer interviews talks about the great value that they're getting from Core. It's also important to point out, we didn't talk about it a lot, but our seats, we're still seeing them grow year-on-year and quarter on quarter. So what we see is now with Agentforce, with the system that you laid out, the system of the agency, et cetera, we're just seeing incremental value to our software and some of it's going to be consumption-based, but we're going to have a hybrid model. Seats will continue to be a key component of our growth going forward. And what we hope to see is just what you heard from the three customers today, incremental value coming as the result of our agentic technology and capabilities.

Mike Spencer:

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

Leila:

Your next question will come from Brent Thill with Jefferies.

Brent Thill:

Good afternoon. Marc, the 50 billion buyback, I guess many are asking given the fall off in big multiples, why not lean a little harder in acquiring technology in M&A versus buying the stock back?

Marc Benioff:

Well, I really appreciate that. I think, Brent, the way to look at this is, I'll just tell you how I look at it, which is that there's many uses of cash. Number one is dividend, we just increased the dividend by [6%]<sup>1</sup>. That's one use of cash,

---

<sup>1</sup> Salesforce's Board of Directors declared a quarterly cash dividend of \$0.44 per share of outstanding common stock, which represents a 5.8% Y/Y increase.

very important. And then we're also look at buyback, traditional buybacks. And so we're doing that. We've done that very aggressively over the last few years as you know, and acquisitions, we'll continue to do acquisitions, but using our new formula that we've put into place and we've done now quite a few acquisitions using that new formula and it's been great. I wish I had used it actually through the entire history of Salesforce. I think we have a much better understanding of how to do acquisitions that are accretive to the business but not dilutive to investors and then debt. So I think there is a role here that we're just very under-leveraged on our balance sheet and I think, look, you're a great banker.

You've been a great banker for decades now. I think if you look at our balance sheet now, we're going to do more than 16 billion dollars in cash flow this year. We're not using debt effectively. And I think at these prices in the market, the ability actually to kind of come to terms that we had some acquisitions in the past like Slack and Tableau that diluted our investors, I think now is the opportunity to take some of that stock back out of the market. And these are great prices. I'm sure you would agree with that. And we want to use our capital correctly, and I think debt is a great way to do that. And I think our stock is a great price and I want Robin to buy as much of it as she possibly can.

Robin:

And I'd maybe add to that, Brent, it doesn't preclude us from doing all the things you mentioned to grow. As Marc just said, with our free cash flow, with our cash balance, with our access to market, we brought 10 companies and we also returned over 99% of our free cash flow to our shareholders via buybacks and dividends. So as we think about optimizing our balance sheet, to Marc's point, we're positioning ourselves to grow organically, inorganically and also return value to our shareholders.

Marc Benioff:

I think that when you look at such a huge cash flow number that we just finished a \$15 billion year coming into it, what will we be, probably at least a 16 and a half billion dollar cash flow year. Then we should be really just thinking about how do we use cash correctly? What is the right way to use cash? And yes, I think that there are many ways to use cash, but focusing on those four things, the dividend, the buyback, the acquisition and debt, all four are critical, and if you have other ideas or you have other thoughts, we're very open. I'd love to have the conversation. Of course.

Mike Spencer:

Well, thank you Brent. Leila, let's go to the next question, please.

Leila:

Our next question will come from Kirk Materne with Evercore.

Kirk Materne:

Yeah, thanks very much for taking the question. Marc, you alluded to it in your comments, the presentation yesterday by Anthropic I thought was an interesting example of a better together strategy with you and one of the model partners, but there is continued concern that those providers might become more competitive with you over time. I was wondering if you just give us an idea of how you see the lines of demarcation in terms of partnering as well as potentially competing down the line, where you think you guys have a right to win, where they might have a right to win. I think just a little bit more color on that would be helpful in terms of people's view of where we might be going in terms of the other partnerships with those companies. Thanks.

Marc Benioff:

Well, no, I'd be delighted to do that. And maybe we can even put up our slide again of our kind of stack diagram. It makes it really clear what our vision of the world is, which is at one very critical part of this, these new models, whether it's open AI, whether it's Anthropic, whether it's Gemini, whether it's LLaMA, whether it's, you pick,

DeepSeek, Mistral, there's so many you can go off as well to look at that. There's thousands of them. We make some of them ourself. These models are new parts of our infrastructure that we really did not have in place a few years ago. We had some of our own models. You remember when we did Einstein and I would talk about, on the earnings call, that I was using Einstein to understand what was happening in my business. That was all based on Salesforce models that we had.

So we've always had models at the bottom of our infrastructure, but now we really are able to say, look at this. We've done 19 trillion tokens with these models, so these models here, that's who we have today. They will change over time. They're a critical part of our infrastructure. I think the strategic question that you're asking is this, not only does it look like that in this slide that we just saw, but could those models themselves become platforms? So could open AI then also be a platform? Could Anthropic be a platform? Can Gemini be a platform? Can DeepSeek be a platform? Can Mistral be a platform? Can LLaMA be its own platform so that in the way that we have Windows and Mac or HTML or different things as platforms where applications all of a sudden appear, will all of a sudden an application come in within one of those platforms and then use some of those services?

Absolutely. Those could be new platforms. There will also be other new platforms. I have a platform right here as well. iOS. There are many platforms. And our job as a software company is to help our customers to create success and to take that and help them connect with their customers in a whole new way. So we'll deliver our products, our capabilities, our value proposition with our customer relationships. Of course, we have over 150,000, I think, customers on our core, a million on Slack. We have 15,000 sales reps who are out there. Their job is to work with customers to help architect their future success with these ideas. And our primary vision though today, because this in the current reality, this is about humans and agents working together and these customers like you saw today with Wyndham, with SharkNinja, even SaaStr, even Salesforce. Our job is to take what's available today and make it successful and that isn't where those platforms are today, as you know.

And in your business, you work for an amazing company. Keith works for an amazing company and these large banks where we are providing a lot of automation for the sales professionals, the service professionals, there is a lot to do to not only automate those call centers, those contact centers, the sales forces, the employees with Slack, but then to also then unleash the agents in a way that is compliant, that is secure, that is available, that is scalable, that is reliable, that is able to operate hand in hand. So if you go to help. salesforce.com today and you want to get help from Salesforce, you know that you're going to be able to automatically connect to our contact center as well. That's incredible. We couldn't do that just a couple years ago, as you know. So that's the current way we're deploying. Well, could there be other ways that we deploy? It's definitely possible. The future could have many different forms, but we can see right now what we're going to sell this year to our customers. We have a lot to sell and a lot to do.

Kirk Materne:

Thank you.

Mike Spencer:

Great. Thanks Kirk. Leila, we'll take the next question, please.

Leila:

Your next question will come from Gabriela Borges with Goldman Sachs.

Gabriela Borges:

Hi, good afternoon. Thanks for taking the question. I wanted to ask the team about the 2.4 billion disclosure on AWUs. Tell us a little bit about how you translate the tokens and the agentic work units to monetization. I know you've been working on AELAS. How do you think about the evolution of the time and the pricing model? Jason from SaaStr was just talking about the agentic value of the stack being three to four times more than software value of the stack. So tell us a little bit more about how the AELAS are growing and Robin, for you specifically, how does it impact gross margin? Thank you.

Marc Benioff:

I think Patrick should really lead this AWU discussion because it's kind of his brainchild and he was very unhappy that I keep bringing out this token number because I'm very impressed that we have 19 trillion tokens, but because I think that really shows that we're really using these products to deploy these agents. Well, I mean everybody can now know Agentforce is hugely successful and all the new capabilities of Agentforce, the determinism, the voice, the programmability, Agentforce Studio, Agentforce Builder, and now Slackbot as well. But I think that then there's another level, this idea of agentic work units. So why don't you tell us your vision.

Patrick Stokes:

Yeah, sure. So as we started looking at how our customers were using Agentforce and we started looking at how we're consuming tokens from the model providers, all those models that sit at the bottom of our layer from OpenAI and from Anthropic, what they're doing is they're providing intelligence into our system and we're able to measure that intelligence through the lens of a token. And that's how most of these model companies are charging. It's the amount of tokens that your platform in our case is consuming. But when we started looking at that across our customers, we can start to see, okay, our top 10 customers are consuming this many tokens. We know how many tokens Salesforce is consuming internally. But it begs the question, well, are they doing anything? Are they working? Are they providing any value or is it just input and output of intelligence?

Right? So you can ask it a question, it can write you a poem, but that's not really all that valuable in the enterprise world. What's valuable is creating a document for you or updating a record or helping us right here at this table. We all used Slackbot to prepare our notes here, our customer stories we're all preparing that with Slackbot. And so what we did is we said, what if we could count those individual work units and then what if we could look at those work units relative to the tokens and we said, oh, there's a relationship between the two. We can start to see a ratio of tokens being consumed and work coming out, and that ratio starts to become really interesting.

Because now we can look at our customers and say, hey, customer A, you have a really nice ratio. You're getting a lot of work done on the platform for the amount of tokens that you're consuming, and hey, Mr. customer B, your relationship is actually not so good. You're consuming a ton of tokens and not getting a lot of work done. What can we do to help you? So it becomes a really kind of interesting way. The tokens are kind of a leading indicator, but the work unit we think is a much more valuable indicator in terms of where the value is actually coming from for our customers and for our own transformation into an agentic enterprise. But maybe on the monetization, I can toss to you.

Robin:

Yeah, I mean this is something that we continue. Look, I think you were asking specifically, Gabriela, about what does it do to gross margins? And as we think about margins in the short run, we think we're pretty neutral. Patrick talked about this differentiation between tokens and AWUs. Well, tokens, those prices, we're working with our various partners, those are going to start to go down over time and commoditize. But also importantly, when you think about our products, engineering and product is working on ways to continue to fine tune our products with things like Agentforce scripts, which is going to make it easier for us to produce the work but reduce the overall costs. So those are things and then again, we're optimizing, we're using customer zero. Marc talks about the fact that we're reallocating resources. We're also looking at other things to overall continue to drive our efficiency down.

So short term we don't see gross margins getting worse, fairly neutral. Long time, we're doing everything in conjunction with our FY27 framework and our overall operating margin improvement to continue to get efficiencies in gross margin and operating margin.

Marc Benioff:

Yeah. Miguel, do you want to take on the question about AELAS and kind of what we're seeing in the market and how customers are consuming this technology?

Miguel:

Yeah, I've been working very hard for the last quarter to have this minute because I really want to tell you the story. Q3 was stellar. You heard the numbers at the time. We made a very clear commitment, Robin and I, in partnership at the Investor's day, we share three key messages to you all. Number one is, we were seeing the very likely possibility of revenue re-acceleration in 12 to 18 months. That was four months ago. Today we are saying that the revenue re-acceleration, organic revenue re-acceleration of subscription and support is going to happen in H2, and we are very committed to that. And we are certain now because we've seen the net new AOV growth outpacing the AOV growth in H2 last year. We're sitting now in Q1, we're looking at Q1 and Q2 and I can tell you, with absolute confidence, that the net new AOV growth is going to significantly outpace the AOV growth.

So now four quarters of net new AOV pulling up the AOV growth is going to finally translate in H2 into a revenue re-acceleration. That was number one. Number two was the fiscal year 30, our long-term durable growth plan. We are recommitted to that to the point that we've increased the target from 60 to 63. If you do the math, it's not all because Informatica, it's because we are more and more certain that we are going to hit the numbers. And then the third thing, which is substantially important and it goes to the monetization and to the AELA question is we have found the formula to monetize AI. There are three ways, three ways, distinct ways. The main ones that we are using to monetize AI. Number one is our large install base of a hundred millions of seats. We are upgrading to our premium SKUs that contain already embedded AI and unlimited access to agentic for employee use cases. Number one.

We've seen, as Robin referred to earlier, that SKU business has triple Agentforce first edition and Agentforce for sales and service has tripled quarter on quarter. Last quarter it doubled, so it's pretty monster. The second way to monetize is this is very peculiar because now our apps are Agentforce sales, Agentforce service. All of them are agentic. So now the ROI that companies generate by implementing our apps has increased. So now we have access to new seats that before companies couldn't afford to roll out Salesforce or any of our apps. And the third way is for customer facing agentic use cases, agents, we [inaudible 01:07:57], the credits, flex credits and companies. If you look at the bookings of Agentforce in Q4, 50% were credits, flex credits, fuel, and 50% were higher SKUs. If you look at the top 12 deals, which by the way, record Robin and Marc, we've never done more than 10 deals above \$10 million in any given quarter.

This was our best Q4 ever, our best quarter ever. We did 12 deals, about \$10 million, one of them about 50, three of them above 20. When we look at those, and if you look at the three ways to monetize, six out of the top 10 deals basically were upgrades of the existing SKUs. Seven out of the top 10 deals, we added seats and five of the top 10 deals included credits for agentic use cases, customer facing use cases. Three of them included everything, but the beautiful thing is, in every story that we heard today that was very incredible, these three customer stories, I have a bunch of stories that I wanted to tell you, but we're running out of time here, in every one of these stories, we are monetizing AI through these three different angles and we are seeing it in the bookings.

We're seeing it in the pipeline. I'm very confident about Q1, I mean something happened in Q4 that was monster. I mean, Marc set up a target to me and to my team. I need to see bookings starting with a number and we deliver above the number. That was incredible. I'm looking at the pipeline, double-digit growth in pipeline. I'm looking at my capacity. We've hired over time. We started last year, 12 months ago, with 0% growth in ramped AEs, these are AEs that are ready to sell, it takes our AEs a year or so to sell, to be prepared. We are starting this fiscal year with 15 to 17% more growth in ramped AEs.

That's dynamite. We have double-digit growth in pipeline. I'm very confident about the net new AOV growth, significantly outpacing AOV growth and AELAS have been a big part of this. This is the number product that we sell now. We sold 120 plus AELAS in Q4. I thought we were going to do between 50 and a hundred. We did 120. In the top 10 deals we sold eight AELAS, in the top 10 deals. These are customers that go all in and commit and commit long-term to the future, and they are outsized deals.

Marc Benioff:

Very good. Thank you so much, Miguel.

Gabriela Borges:

Thank you.

Mike Spencer:

Thanks. Leila, we'll take the last question now please.

Leila:

Your last question will come from Raimo Lenschow with Barclays.

Raimo Lenschow:

Hey, thanks for squeezing me in here. I'll make it a quick one. If your cross-sell or the token upsell is working so well, you said 60% of the booking came from that one. It's kind of almost getting the message out to more customers quicker. You now have 29,000 customers. How do you think about that evolution from getting new customers and getting those guys up and productive this year? How do you think about the role there and what are the roadblocks? Thank you.

Miguel:

Yeah, Raimo good to see you again. Listen, we did 29,000 Agentforce transactions. We have approximately 22, 23,000 customers, but you said it very well. Our role, the role of my team, the role of my executive, the role of all the AEs is to be in front of customers to explain these stories and the value that we can drive. I mean, today, yesterday, or today, I don't know when, there was a world tour in Australia, we had 12,000.

Marc Benioff:

Yes.

Miguel:

Today, right?

Marc Benioff:

Yes.

Miguel:

12,000 customers.

Marc Benioff:

It's actually tomorrow, but it's today.

Miguel:

It's yesterday.

Robin:

Australia time.

Miguel:

I don't know, whatever. 12,000 customers showed up. It is happened. It's already happened, by the way. And I think we just need to, the key message that we are conveying to our customers is we are, SaaS is more important than ever in the world of LLMS. I mean, we are so happy that this raw intelligence exists, but to convert raw intelligence into reliable, accurate, scalable enterprise work, you need a software infrastructure like the one that Marc described with our four layers, the system of context, the system of work. This is our big differentiator. Nobody has 40% market share in sales and service. I'm sorry. In the customer domain, we are the systems of work.

We have the system of agency, very sophisticated. Some companies are building it, whatever, but we have the best because we are proven in 4,000 production customers, 23,000 total customers. Nobody has that at the scale and the complexity because our agents are connected to the data, connected, able to trigger actions, and then we have the system engagement, which is Slack.

I mean, the demo of Anthropic was incredible. It started in Slack. Then what did they do? They took it out to another UI, which is awful, by the way, but it wasn't really as nice as Slack, but they did all the work, incredible work. Again, we are so lucky that these companies exist, and then they copy-pasted, they did that, right? They copy-pasted and they put it back on Slack. Okay. Today you can do that with Slackbot. You don't have to get out and in. We have a great partnership with Anthropic, but anyway, Raimo, we are very excited.

Marc Benioff:

Patrick, I think you should come in here and talk about this.

Patrick Stokes:

Yeah, I mean, everybody right now, everybody through the past few years has been so enamored with the model. Of course, it's this brand new thing, this intelligence layer that we never had, but also the data, but what's really happening around us is the apps are changing, the UI is changing as Miguel is alluding to, and that's really what we're seeing because these old apps of these point and click buttons, those were designed for human beings to interact with, but what happens when you have human beings and agents in the same place? Suddenly a lot of those interactions, those UI paradigms kind of get thrown away. You don't need all of this complex UI anymore, and that's what makes Slack so powerful, and I think that's what Anthropic knows. I think that's what we saw in their demos yesterday that you kind of process the work, but ultimately it's coming.

That work is getting done because some person or some agent is asking for it, and then you need to give it back to that person or that agent, and where do you do that? You do that in Slack, and that's what makes Slackbot so unbelievably powerful, is you never have to leave, and of course it's powered by Claude. We love our partners of Anthropic, but it knows all of the context of your business, not just the context of your systems of records as we think about it, but all of the conversations happening inside of Slack, it has access to all of that and the knowledge that it gains from that is truly unmatched.

It might be our most important piece of data that we have, and so when you put all that together into this brand new user interface, that's really where we see this big transformation in SaaS happening. It's that the apps, they're going to change and they're going to just turn into this environment where humans and agents are really working together.

Robin:

I think to add to that, if you think about customer success, right? We're really doubling down, as we said on FDEs, and I think they're the folks that are on the ground with our selling teams, our solution selling teams to ultimately make this vision a reality, and I think that's the key component to converting it from AELAS to ultimately consuming, That's what we want to continue to see happening is that consumption wheel continuing to fly.

Miguel:

Well said.

Mike Spencer:

Well, great. Thank you, Reimo and we want to thank everyone for joining us today and look forward to seeing you soon.