Salesforce Q2 FY27 Earnings

August 26, 2026

Introduction

Mark Murphy

Executive Vice President of Global Investor Relations

Safe Harbor & Non-GAAP Financial Measures

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"Safe harbor" statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements about the Company's financial and operating results and guidance which include, but are not limited to, expected GAAP and non-GAAP financial and other operating and non-operating results. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, results or outcomes could differ materially from those expressed or implied by these forward-looking statements. The risks and uncertainties referred to above include, but are not limited to: the effect of the acquisition of Informatica on our operating results, the market price of our common stock, and our ability to retain and hire key personnel; uncertainties regarding AI technologies and its integration into our product offerings; the effect of evolving domestic and foreign government regulations; regulatory developments and regulatory investigations involving us or affecting our industry; our ability to successfully introduce new services and product features, including related to AI and Agentforce; our ability to execute our business plans; our ability to meet our long-term revenue target and profitable growth framework; the pace of change and innovation in enterprise cloud computing services; our ability to maintain and enhance our brands; and expectations regarding closing contemplated acquisitions and contributions from acquired companies. Further information on these and other factors that could affect the Company's actual results or outcomes is included in the reports on Forms 10-K, 10-Q and 8-K and in other filings it makes with the Securities and Exchange Commission from time to time. These documents are available on the SEC Filings section of the Financials section of the Company's website at investor.salesforce.com/financials/. Salesforce, Inc. assumes no obligation and does not intend to revise or update publicly any forward-looking statements for any reason, except as required by law.

This presentation includes both GAAP and non-GAAP financial measures. An explanation of non-GAAP financial measures, why we believe these measures can be helpful, and a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable, are included in the Appendix to this presentation and in our most recent earnings press release, which are available at investor.salesforce.com/financials/.

Q2 FY27 Highlights

Marc Benioff

Chair and CEO

Q2 FY27 Financial Results

$5.90
FY27 Q2 Non-GAAP Earnings Per Share

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$15.2B
FY27 Q2 TTM Free Cash Flow

$11.3B
FY27 Q2 Revenue

7.0B
AWUs Delivered All-Time

$46.1B to $46.4B
FY27 Revenue Guidance
includes Fin & Contentful

$3.9B
FY27 Q2 Agentforce & Data 360 ARR

Current Guidance includes the anticipated contribution of Contentful and Fin, which we expect to each close in the coming weeks, and is conditional upon the closing of these transactions.

Q2 FY27 Customer Wins and Expansions

agi
Aledade
athenahealth
Bell
Booz Allen
CAPITAL GROUP™
CONNECTWISE
T
docusign
FIFA WORLD CUP 2026™
IBM
JP INSURANCE かんぽ生命
Mercedes-Benz
newell BRANDS
NTT DATA
OPTUS
Sysco
rh Robert Half
Robinhood
WOLVERINE WORLDWIDE

New interfaces unlock new consumption

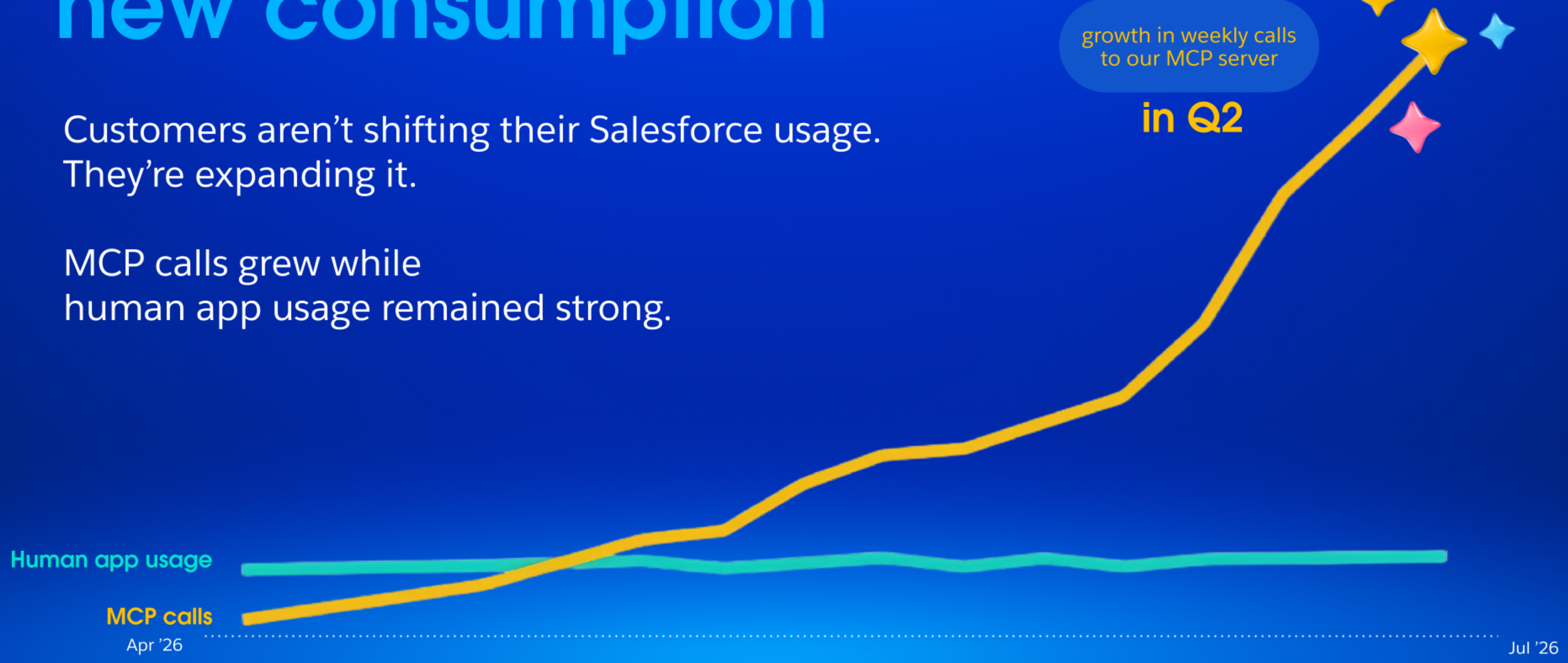
Customers aren’t shifting their Salesforce usage.
They’re expanding it.

MCP calls grew while
human app usage remained strong.

6x

growth in weekly calls to our MCP server

in Q2



Q2 FY27 Highlights & Guidance

Robin Washington
President and Chief Operating and Financial Officer

Q2 FY27 Agentforce & Data 360 ARR reached nearly $3.9B, with Triple Digit Y/Y Growth

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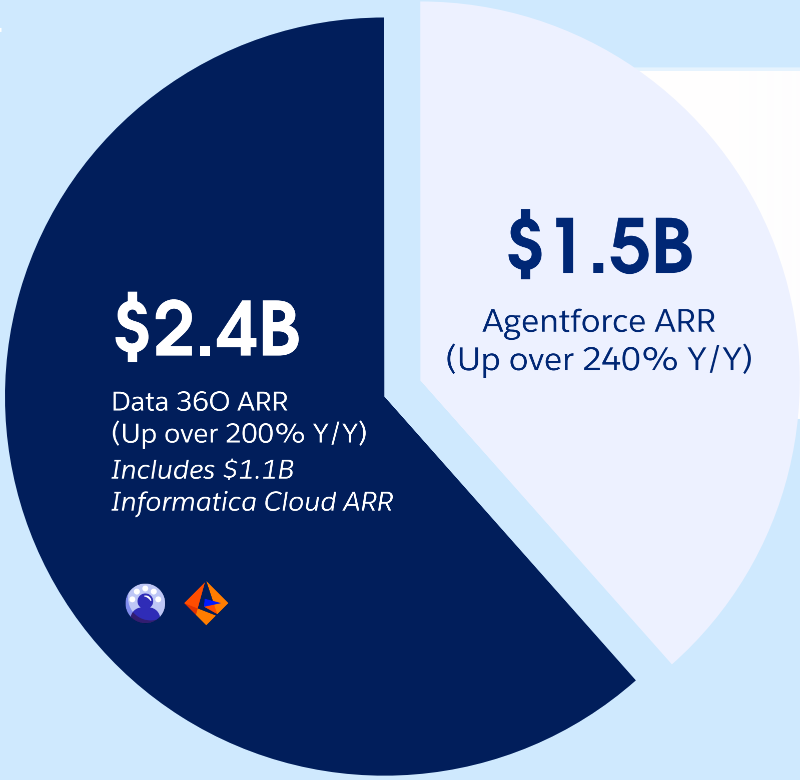
$3.9B

ARR

Agentforce & Data 360 ARR Incl. Informatica Cloud over 210% Y/Y



Gen AI & Agentforce

Headless 360

Going forward, moving to milestone based reporting. Agentforce ARR includes Headless 360 and Slackbot effective Q2 FY27.

Informatica Cloud ARR includes Cloud business only, excluding On-Prem and ProServe ARR.
In Q3 FY26, the Company renamed its service offerings to reference Agentforce. There was no change to the allocation of Annual Recurring Revenue.

AWUs surged to 3.2B in Q2

97% Growth QoQ

An Agentic Work Unit (AWU) is one discrete task accomplished by an AI agent – decisions made, records updated, workflows triggered, and more

Slack AWUs 133% Growth QoQ

7.0B AWUs delivered for live customer agents, all-time

Q2 FY27 Financial Results

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Top Line

Revenue
$11.3B
+11% Y/Y, +11% Y/Y CC
$9M Y/Y FX Impact

cRPO
$33.5B
+14% Y/Y, +14% Y/Y CC
$0 Y/Y FX Impact

RPO
$66.3B
+11% Y/Y

Subscription & Support Revenue Disaggregation

Total Subscription & Support Revenue
$10.8B
+12% Y/Y, +11% Y/Y CC
$8M Y/Y FX Impact

Agentforce Apps
$7.2B
+8% Y/Y, +8% Y/Y CC

Data 360, Headless Platform, and Other
$3.6B
+ 20%Y/Y, +20% Y/Y CC

Profit & Cash

GAAP Operating Margin
20.5%

Non-GAAP Operating Margin
34.1%

Operating Cash Flow
$1.3B

Free Cash Flow
$1.1B

Capital Return
$0.4B
$364M Dividends
Executed against $25B ASR

Revenue includes $456M Informatica contribution. Subscription & Support Revenue includes $440M Informatica contribution.

Full-Year FY27 Guidance Summary

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Includes contribution from Contentful and Fin, expected to close in the coming weeks

		Current Guidance	Prior Guidance
Revenue	▲	**$46.1B - $46.4B** 11% - 12% Y/Y Approximately 11% Y/Y CC, $200M Y/Y FX **Informatica Contribution: Slightly Above 3pts**	**$45.9B - $46.2B** 11% Y/Y Approximately 10% - 11% Y/Y CC, $300M Y/Y FX **Informatica Contribution: Approximately 3pts**
Subscription & Support Revenue Growth	▲	**Slightly above 12% Y/Y** Slightly under 12% Y/Y CC	**Slightly under 12% Y/Y** Approximately 11% Y/Y CC
GAAP Operating Margin	▼	**20.1%**	**20.6%**
Non-GAAP Operating Margin	HOLD	**34.3%**	**34.3%**
GAAP Diluted EPS	▲	**$10.21 - $10.25**	**$7.93 - $7.99**
Non-GAAP Diluted EPS	▲	**$16.67 - $16.71**	**$14.06 - $14.12**
Operating Cash Flow Growth	HOLD	**Approximately 4% - 5% Y/Y**	**Approximately 4% - 5% Y/Y**
Free Cash Flow Growth	HOLD	**Approximately 4% - 5% Y/Y**	**Approximately 4% - 5% Y/Y**
Capital Expenditures	HOLD	**Approximately 1.5% of revenue**	**Approximately 1.5% of revenue**

Current Guidance includes the anticipated contribution of Contentful and Fin, which we expect to each close in the coming weeks, and is conditional upon the closing of these transactions.

Q3 FY27 Guidance Summary

Includes contribution from Contentful and Fin, expected to close in the coming weeks

	Current Guidance
Revenue	**$11.42B - $11.5B** 11% - 12% Y/Y 11% - 12% Y/Y CC, $0M Y/Y FX **Informatica Contribution: Slightly Above 4pts**
GAAP Diluted EPS	**$1.81 - $1.83**
Non-GAAP Diluted EPS	**$3.42 - $3.44**
cRPO Growth	**Approximately 14% Y/Y** Approximately 14% Y/Y CC, $100M Y/Y FX

Current Guidance includes the anticipated contribution of Contentful and Fin, which we expect to each close in the coming weeks, and is conditional upon the closing of these transactions.

Q&A

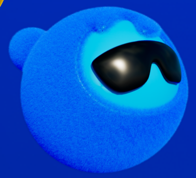
Marc Benioff
Chair and CEO

Robin Washington
President and Chief Operating and Financial Officer

Miguel Milano
President and Chief Operating Officer

Patrick Stokes
President, Applications and Marketing

Thank you



Appendix

FY27 Update - Disaggregated Revenue

WHY

In the Agentic Enterprise, how we develop, sell, serve, & engage customers is being transformed by agents. Today, the cases on help.salesforce.com are resolved by agents and humans, and this is the future of every customer interaction. As this extends across the enterprise, our data and platform foundation is more critical than ever, powering every agent, app, and workflow. **Our revenue disclosures now reflect both: Agentforce Apps, and the Data 360 & Platform foundation powering it all.**

WHAT

Agentforce Apps

Groups our applications with Agentforce, to reflect how Agentforce is embedded in every app

Data 360, Platform, & Other

Groups our data context layer and unified platform, to reflect the foundation powering Agentforce Apps

Significant Acquisitions: To support financial transparency, we will report revenue from significant acquisitions for one year following deal close

FY27 Update - Disaggregated Revenue

Prior Disaggregated Revenue Structure

Agentforce Sales	Agentforce Sales
Agentforce Service	Agentforce Service
Agentforce Marketing and Agentforce Commerce	Agentforce Marketing
	Agentforce Commerce
Agentforce 360 Platform, Slack and Other	Agentforce 360 Platform
	Flex Credits
	Slack
	Data 360
	Informatica
	Other
Agentforce Integration and Agentforce Analytics	Agentforce MuleSoft
	Agentforce Tableau
Total Subscription & Support Revenue	

New Disaggregated Revenue Structure

Agentforce Apps	Agentforce Sales
	Agentforce Service
	Agentforce Marketing
	Agentforce Commerce
	Agentforce Apps Flex Credits
	Slack
Data 360, Headless Platform, & Other	Data 360
	Data 360 & Platform Flex Credits
	Headless Platform
	Informatica
	Agentforce MuleSoft
	Agentforce Tableau
	Other
Total Subscription & Support Revenue	

Flex credits enable customers to seamlessly shift consumption across our Agentforce Apps and Data 360, Headless Platform, & Other categories

Prior Cloud Revenue Structure will be provided temporarily for Subscription and Support Revenue Constant Currency Growth Rates only. We will not provide significant acquisition disclosure for Agentforce MuleSoft, Agentforce Tableau, or Slack. Flex credits will be split evenly (50/50) across both reporting categories, with allocations revisited over time based on actual usage and trends.

Revenue Growth Trends in Constant Currency

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	FY26					FY27	
Subscription & Support Revenue	**Q1' 26**	**Q2' 26**	**Q3' 26**	**Q4' 26**	**FY' 26**	**Q1' 27**	**Q2' 27**
Agentforce Apps	7%	7%	7%	6%	**7%**	7%	8%
Data 360, Headless Platform, and Other	13%	14%	13%	21%	**15%**	23%	20%
Total Subscription & Support Revenue	**9%**	**9%**	**9%**	**11%**	**10%**	**12%**	**11%**
Total Revenue - Select Acquisitions							
Informatica Total Revenue ($M)[2]	–	–	–	$399	**$399**	$444	$456

Q2' 27 revenue attrition approximately 8%, in line with recent trends

Our speed of innovation is driving Agentforce Apps growth

[1]Constant currency growth rates exclude the impacts of hedging gains.
[2]Informatica Total Revenue includes professional services revenue and subscription and support revenue. Q4 FY26 and FY26 results for Informatica represent a stub period reflecting revenue from the date of acquisition through the end of the fiscal year.

Revenue Growth Trends in Constant Currency
Prior Disaggregated Revenue Structure

	FY26					FY27	
Subscription & Support Revenue	**Q1' 26**	**Q2' 26**	**Q3' 26**	**Q4' 26**	**FY' 26**	**Q1' 27**	**Q2' 27**
Agentforce Sales	7%	8%	8%	8%	**8%**	10%	9%
Agentforce Service	7%	8%	8%	7%	**8%**	5%	5%
Agentforce 360 Platform, Slack and Other	14%	16%	19%	37%	**22%**	43%	43%
Agentforce Marketing and Agentforce Commerce	4%	3%	1%	(1)%	**2%**	(2)%	(1)%
Agentforce Integration and Agentforce Analytics	10%	12%	6%	3%	**7%**	1%	(6)%
Total Subscription & Support Revenue	**9%**	**9%**	**9%**	**11%**	**10%**	**12%**	**11%**

Including Agentforce (reported in Agentforce 360 Platform, Slack and Other for the periods presented) would have added 2pts to Service Q2'27 revenue growth, offset by a reduction to Agentforce 360, Platform, Slack and Other.

To support transparency during the transition to our new disaggregated revenue structure, we will provide constant currency growth under the prior structure each quarter of FY27 and report solely under the new structure beginning in FY28

Flex Credits and Data 360 revenue are prospectively included in Agentforce 360 Platform, Slack and Other effective with deals closed in FY26.

[1]Constant currency growth rates exclude the impacts of hedging gains.

Q2 FY27 Revenue Growth by Region in Constant Currency

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Americas
$7.4B
10%

EMEA
$2.8B
13%

APAC
$1.2B
12%

	Q1' 26	Q2' 26	Q3' 26	Q4' 26	FY'26	Q1' 27	Q2' 27
Americas	7%	9%	8%	9%	**8%**	11%	10%
EMEA	9%	7%	7%	13%	**9%**	12%	13%
APAC	11%	11%	11%	13%	**12%**	12%	12%

Q2 regional NNAOV growth anchored by strength in North America, Japan, and the UK

Revenues by geography are determined based on the region of the Company's contracting entity, which may be different than the region of the customer.
Revenue dollar figures are presented in nominal currency and growth rates are presented in constant currency. Constant currency growth rates exclude the impacts of hedging gains.

Q2 FY27 Key Balance Sheet and Cash Flow Metrics Growth Rate Trends

	Q1' 26	Q2' 26	Q3' 26	Q4' 26	Q1' 27	Q2' 27
Total RPO	13%	12%	12%	14%	11%	11%
cRPO	12%	11%	11%	16%	14%	14%
cRPO *(in Constant Currency)*	11%	10%	11%	13%	13%	14%
cRPO FX $M (Headwind) / Tailwind	*$300M*	*$300M*	*$200M*	*$800M*	*$100M*	*$0*
Operating Cash Flow	4%	(17)%	17%	38%	3%	71%
Free Cash Flow	4%	(20)%	22%	39%	4%	81%

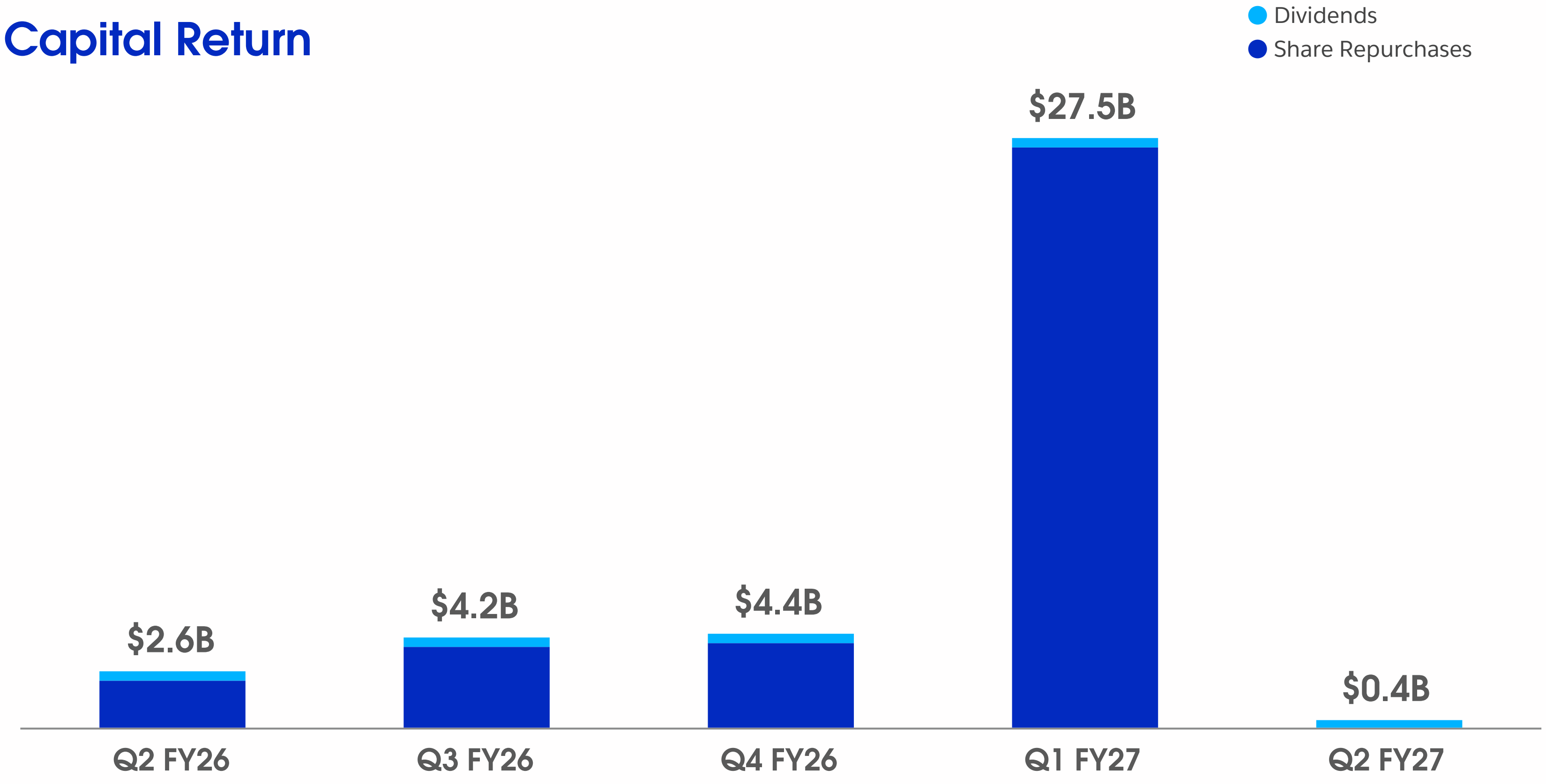
Notes:

- *RPO growth rate change from Q4'26 to Q1'27 was primarily driven by FX.*
- *cRPO to revenue relationship may change as we evolve our business model to incorporate more consumption revenue.*

Strong Q2 results across RPO, cRPO, and cash flow, with cRPO CC growth up 1pt Q/Q

Returned $27.9B Capital Q2 FY27 YTD

Capital Return



$59.3B

Cumulative Repurchases Since Inception, Including $25B ASR

$3.9B

Cumulative Quarterly Dividend Payments Since Inception

(15)% Y/Y

Q2 FY27 Diluted Share Count Down (141M) Y/Y

Continued Focus on Reducing Share Count

Committed to robust capital return, $63.1B returned since inception including $25B ASR in Q1

Q2 & Full Year FY27 Non-GAAP Expense Profile

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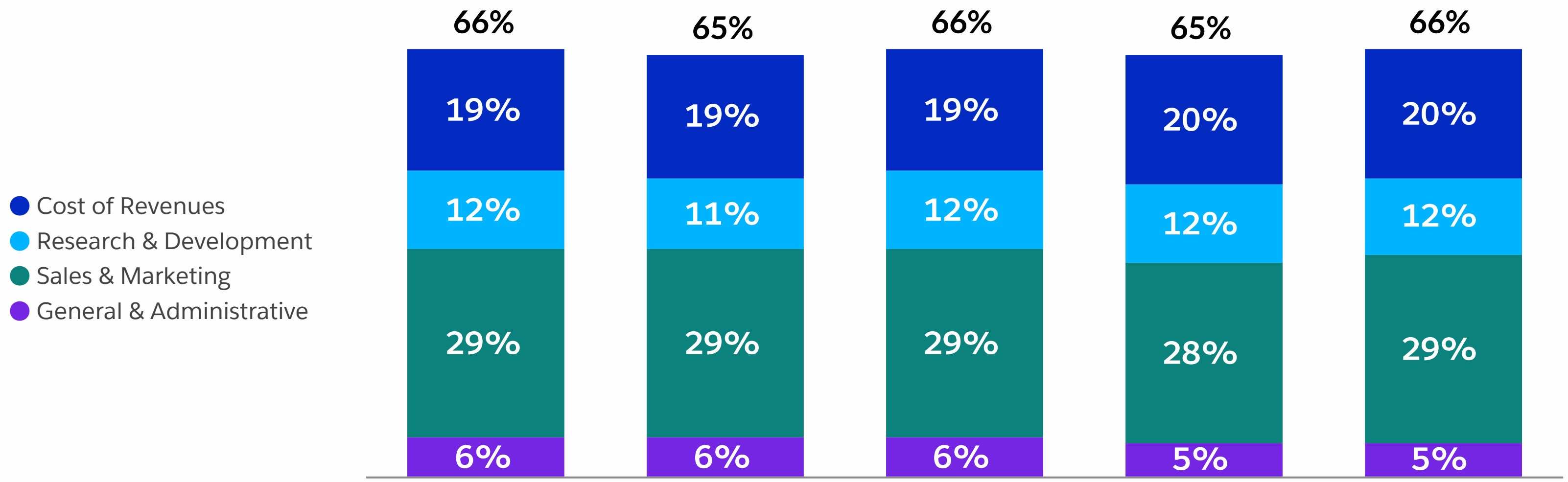
Non-GAAP % of Revenue



Operating Margin	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
GAAP	22.8%	21.3%	16.7%	21.1%	20.5%
Non-GAAP	34.3%	35.5%	34.2%	34.8%	34.1%

FY27 Guidance GAAP Operating Margin Stable Y/Y

Includes impact of Contentful and Fin

FY27 Guidance

20bps

Non-GAAP Operating Margin Expansion Y/Y

Operating as a lean, agentic enterprise, investing in growth, while driving efficiency and AI productivity

Current Guidance includes the anticipated contribution of Contentful and Fin, which we expect to each close in the coming weeks, and is conditional upon the closing of these transactions.

Non-GAAP Financial Measures

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

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

Non-GAAP operating margin is the proportion of non-GAAP income from operations as a percentage of GAAP revenue. Non-GAAP income from operations excludes the impact of the following items: stock-based compensation expense, amortization of acquisition-related intangibles and charges related to restructuring initiatives and acquisition-related costs.

Non-GAAP diluted earnings per share excludes, to the extent applicable, the impact of the following items: stock-based compensation expense, amortization of purchased intangibles, charges related to restructuring initiatives and acquisition-related costs and income tax adjustments. These items are excluded because the decisions that give rise to them are not made to increase revenue in a particular period, but instead for the Company’s long-term benefit over multiple periods.

The Company defines the non-GAAP measure free cash flow as GAAP net cash provided by operating activities, less capital expenditures. Trailing twelve months free cash flow is calculated as GAAP net cash provided by operating activities for the aggregate four preceding fiscal quarters, less capital expenditures over that same period.

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

Other Metrics: The Company defines Agentforce and Data 360 annual recurring revenue ("ARR") as the annualized recurring value of active Data 360 and certain generative artificial intelligence ("AI") subscription agreements, including those for Agentforce, generative AI products and features, and Headless 360, that were executed at the end of the reporting period. The Company defines Informatica Cloud ARR as the annualized recurring value of active Informatica Cloud subscription agreements that were executed at the end of the reporting period. From time to time, we may update this metric to incorporate new products, feature offerings, or acquired technologies that meet its definition. Beginning in Q2 FY27, Agentforce ARR includes our latest AI offerings Slackbot and Headless 360.

The Company defines Net New Annual Order Value ("NNAOV") as the net change in the annual order value of our customer subscription agreements during a given period. NNAOV is calculated as the sum of: (i) the annualized contract value from new and existing customers who enter into subscription agreements during the period; less (ii) the reduction in annualized order value from customer cancellations, non-renewals, or downgrades during the period.

The Company defines an Agentic Work Unit ("AWU") as a measure of discrete tasks executed by AI agents in production across the Salesforce platform, including Agentforce and Slack. AWUs represent the conversion of generative AI capabilities into measurable business outputs, such as resolving customer cases, updating records or triggering automated workflows.

GAAP to Non-GAAP Financial Reconciliation

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(in millions)	Three Months Ended July 31,	
Non-GAAP income from operations	**2025**	**2026**
GAAP income from operations	$ 2,332	$ 2,331
Plus:		
Amortization of purchased intangibles	380	522
Stock-based compensation expense[5]	793	904
Restructuring and acquisition-related costs	4	115
Non-GAAP income from operations[1]	$ 3,509	$ 3,872
Revenue	10,236	11,345
Non-GAAP operating margin[2]	34.3 %	34.1 %

Non-GAAP operating margin	Full Year FY27 Guidance
GAAP operating margin[2]	20.1 %
Plus:	
Amortization of purchased intangibles[4]	4.4 %
Stock-based compensation expense[4,5]	9.0 %
Restructuring and acquisition-related costs[4,5]	0.8 %
Non-GAAP operating margin[2]	34.3 %

(in millions)	Three Months Ended July 31,	
Computations of free cash flow, a non-GAAP measure	**2025**	**2026**
GAAP net cash provided by operating activities	$ 740	$ 1,269
(Capital expenditures)	(135)	(171)
Free cash flow[3]	$ 605	$ 1,098

	Three Months Ended July 31,			
Non-GAAP diluted earnings per share	**2025**	**2026**	**Q3 FY27 Guidance**	**Full Year FY27 Guidance**
GAAP diluted earnings per share	$ 1.96	$ 4.29	$1.81 - $1.83	$10.21 - $10.25
Plus:				
Amortization of purchased intangibles	0.40	0.64	0.57	2.45
Stock-based compensation expense[5]	0.82	1.10	1.29	4.96
Restructuring and acquisition-related costs	0.00	0.14	0.12	0.42
(Income tax effects and adjustments)	(0.27)	(0.27)	(0.37)	(1.37)
Non-GAAP diluted earnings per share[6]	$ 2.91	$ 5.90	$3.42 - $3.44	$16.67 - $16.71
Shares used in computing non-GAAP diluted earnings per share (millions)[7]	962	821	827	838

(in millions)	Trailing Twelve Months Ended	Three Months Ended			
Free Cash Flow	**July 31, 2026**	**October 31, 2025**	**January 31, 2026**	**April 30, 2026**	**July 31, 2026**
GAAP net cash provided by operating activities	$ 15,750	$ 2,316	$ 5,464	$ 6,701	$ 1,269
(Capital expenditures)	(596)	(139)	(141)	(145)	(171)
Free cash flow[3]	$ 15,154	$ 2,177	$ 5,323	$ 6,556	$ 1,098

[1]Non-GAAP income from operations is used to calculate non-GAAP operating margin. It excludes the impact of the amortization of purchased intangibles, stock-based compensation expense and charges related to the Company's restructuring initiatives and acquisition-related costs.
[2]GAAP operating margin is the proportion of GAAP income from operations as a percentage of GAAP revenue. Non-GAAP operating margin is the proportion of non-GAAP income from operations as a percentage of GAAP revenue.
[3]Free cash flow ("FCF") is defined as GAAP net cash provided by operating activities, less capital expenditures. Trailing twelve months ("TTM") free cash flow is calculated as GAAP net cash provided by operating activities for the aggregate four preceding fiscal quarters, less capital expenditures over that same period.
[4]The percentages shown above have been calculated based on the midpoint of the low and high ends of the revenue guidance for full year FY27.
[5]The percentages shown in the restructuring and acquisition-related costs line have been calculated based on charges associated with the Company's restructuring initiatives and acquisition-related costs. Stock-based compensation expense excludes stock-based compensation expense related to the Company's restructuring initiatives, which is included in the restructuring and acquisition-related costs line.
[6]GAAP diluted earning per share ("EPS") is calculated by dividing GAAP net income by number of diluted shares. Non-GAAP diluted EPS is calculated by dividing non-GAAP net income by number of diluted shares. It excludes the impact of stock-based compensation expense, amortization of purchased intangibles, charges related to the restructuring initiatives and acquisition-related costs and income tax adjustments.
[7]The Company's shares used in computing GAAP net income per share guidance and non-GAAP net income per share guidance reflect the reduction to share count from the 103 million shares initially delivered under the ASR, but excludes any impact to share count from the final ASR settlement or potential Q3 - Q4 FY27 repurchase activity under our share repurchase program.

GAAP to Non-GAAP Financial Reconciliation

(in millions)

Period	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
Revenue	10,236	10,259	11,201	11,133	11,345
GAAP Cost of Revenues	2,242	2,255	2,508	2,570	2,649
Less:					
Amortization of purchased intangibles	150	156	224	244	234
Stock-based compensation expense[1]	126	129	147	138	147
Acquisition-related costs	–	–	2	1	–
Non-GAAP Cost of Revenues	1,966	1,970	2,135	2,187	2,268
Non-GAAP Cost of Revenues as a % of Revenue[2]	**19 %**	**19 %**	**19 %**	**20 %**	**20 %**
GAAP Sales and Marketing Expense	3,443	3,456	4,017	3,769	3,859
Less:					
Amortization of purchased intangibles	230	230	302	317	288
Stock-based compensation expense[1]	293	296	413	320	345
Acquisition-related costs	–	–	7	3	1
Non-GAAP Sales and Marketing Expense	2,920	2,930	3,295	3,129	3,225
Non-GAAP Sales and Marketing Expense as a % of Revenue[2]	**29 %**	**29 %**	**29 %**	**28 %**	**29 %**
GAAP Research and Development Expense	1,481	1,433	1,619	1,627	1,687
Less:					
Stock-based compensation expense[1]	280	271	336	310	301
Acquisition-related costs	–	–	1	2	3
Non-GAAP Research and Development Expense	1,201	1,162	1,282	1,315	1,383
Non-GAAP Research and Development Expense as a % of Revenue[2]	**12 %**	**11 %**	**12 %**	**12 %**	**12 %**
GAAP General and Administrative Expense	734	667	902	740	725
Less:					
Stock-based compensation expense[1]	94	109	187	102	111
Acquisition-related costs	–	–	62	10	17
Non-GAAP General and Administrative Expense	640	558	653	628	597
Non-GAAP General and Administrative Expense as a % of Revenue[2]	**6 %**	**6 %**	**6 %**	**5 %**	**5 %**
GAAP Operating Margin %	22.8 %	21.3 %	16.7 %	21.1 %	20.5 %
Plus:					
Amortization of purchased intangibles	3.7 %	3.8 %	4.7 %	5.0 %	4.6 %
Stock-based compensation expense[1]	7.8 %	7.9 %	9.6 %	7.8 %	8.0 %
Acquisition-related costs	– %	2.5 %	3.2 %	0.9 %	1.0 %
Non-GAAP Operating Margin %[2]	**34.3 %**	**35.5 %**	**34.2 %**	**34.8 %**	**34.1 %**

[1]Stock-based compensation expense included in the GAAP to non-GAAP reconciliation tables above excludes those expenses related to the Company's restructuring initiatives, which are included in the restructuring and acquisition-related costs line. For the three months ended July 31, 2026 and April 30, 2026, $2 million and $10 million of such expense is excluded, respectively. No other quarters presented in this slide incurred material stock-based compensation expense related to restructuring.
[2]Non-GAAP expense categories as a % of revenue and Non-GAAP Operating Margin are calculated using GAAP revenue.