Salesforce Inc. [CRM] – Tech, Software - MC: $240.16B
Information as of September 8, 2025

Company Profile

Overview: Salesforce is a leading provider of enterprise cloud computing solutions, specializing in customer relationship management (CRM) software that enables businesses to manage customer interactions, sales, service, marketing, and analytics through cloud-based platforms. Founded in 1999 by Marc Benioff and Parker Harris, the company pioneered the software-as-a-service (SaaS) model, disrupting traditional on-premise software. Headquartered in San Francisco, Salesforce operates globally, serving over 150,000 customers across industries such as financial services, healthcare, retail, and manufacturing.

Investment Thesis: The Company is attractively priced both historically and relative to its competitors. Meanwhile, it continues to defend its position as a leading enterprise software business by actively seizing evolutionary opportunities through the integration of AI/ML (via Agentforce) into its comprehensive suite of products and services. Senior management and the board possess the character and competence necessary to achieve the next stage of organic growth and to prudently pursue inorganic opportunities. We believe the application layer for the AI/ML tech stack is poised for exponential growth, and this layer is most likely to emerge at Salesforce, given its data-centric and rules-based software suite—as opposed to creative, design, or engineering software (e.g., Adobe, Autodesk, Figma).

Key Personnel: CEO: Marc Benioff, President/COO/CFO: Robin Washinton, President/CRO: Miguel Milano, President/Chief Engineering Officer/CCSO: Srini Tallapragada

Recent Events:
09/03/2025: 2Q2026 earnings (double beat on revenue and EPS, raised low end of full-year revenue guidance)
07/09/2025: Board appointments of Amy Chang and David Kirk (adds AI, consumer tech, and hardware talent)
05/27/2025: Signs definitive agreement to acquire Informatica ($8.0B valuation, cash + debt, JPM advised CRM)

Financial Performance

Annualized Performance Metrics: 1Y: 2.50%, 3Y: 18.08%, 5Y: -0.13%

Key Financials (TTM): Rev.: $39.50B (6.2% YoY), Net Income: $6.66B (12.1% YoY), EPS: $6.88 (13.2% YoY)

Valuation: P/E Ratio (Fwd): 22.28 vs. Industry Avg: 38.60

Dividends: Yield: 0.80%, Cash Dividend Payout Ratio: 12.53%

Price Chart (1Y Daily; D-SMA 50, D-SMA 200, W-SMA 200):

Investment Outlook

Key Growth Drivers:
Expansion in AI (Agentforce) and data analytics (Data Cloud – Tableau, Mulesoft)
Cross selling across Clouds (Sales, Service, Experience, M&C, Data), tools, and professional services
Global market penetration via partnerships, ecosystem integrations, and acquisitions

Key Risks:
Key Man / Management Turnover: From a big-picture perspective, we believe CEO Marc Benioff will be difficult to replace, as he pioneered the software industry, co-founded the company, and led it to be a dominant force with a broad portfolio of sales and marketing related solutions. More recently (02/05/25), the company announced it appointed Robin Washington as President, COO, and CFO. Washington has been on Salesforce's board of directors since 2013. She is a well-seasoned leader with approximately 13 years as CFO at Gilead and Hyperion. The company had previously announced that Amy Weaver, previous CFO, and Brian Millham, previous COO, were stepping down and that a search was underway for their successors. While Washington now has two quarters behind her, we expect Salesforce to continue on a path of profitable growth and investor-friendly capital allocation established by her predecessors.

Acquisition & Integration: To support revenue growth (a vital metric for the Company), the Company has been and will likely continue to be acquisitive. Acquisitions have enabled the Company to evolve and establish an immediate or larger presence with a particular solution. Investors have been concerned at times about rich valuations and organic growth prospects, as was the case with the Slack, Tableau, and Mulesoft acquisitions over the last several years. The Company stated during its last earnings call that it is likely to continue to make prudent and accretive acquisitions. In these situations, valuation and integration will remain risks. Building on the acquisition-driven risks, Salesforce is likely to face new competitors as it continues to acquire its way into markets the Company was not previously serving. The Demandware acquisition drove entry into a completely new area and brought a wide variety of competitors the Company did not previously come across.

Analyst Consensus: Price Target: $341.66 (35.2% upside), Ratings: 35 Buy, 11 Hold, 0 Sell

Collar Capital Valuation:

Ticker	CRM
Date	8/21/2025
Current Price	$245.88
Target Price	**$300.05**
Implied Return	**22.03%**
Target Price Range	**$270.05 - $330.06**
Implied Return Range	**10% - 34%**
Probability Score	**85%**