Safe Harbor

"Safe harbor" statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements about our financial and operating results, which may include expected GAAP and non-GAAP financial and other operating and non-operating results, including revenue, net income, diluted earnings per share, operating cash flow growth, operating margin improvement, expected revenue growth, expected current remaining performance obligation growth, expected tax rates, the one-time accounting non-cash charge that will be incurred in connection with the Salesforce.org combination; stock-based compensation expenses, amortization of purchased intangibles, shares outstanding, market growth and sustainability goals. 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, the company's results could differ materially from the results expressed or implied by the forward-looking statements we make.

The risks and uncertainties referred to above include -- but are not limited to -- risks associated with the effect of general economic and market conditions; the impact of geopolitical events; the impact of foreign currency exchange rate and interest rate fluctuations on our results; our business strategy and our plan to build our business, including our strategy to be the leading provider of enterprise cloud computing applications and platforms; the pace of change and innovation in enterprise cloud computing services; the seasonal nature of our sales cycles; the competitive nature of the market in which we participate; our international expansion strategy; our service performance and security, including the resources and costs required to avoid unanticipated downtime and prevent, detect and remediate potential security breaches; the expenses associated with new data centers and third-party infrastructure providers; additional data center capacity; real estate and office facilities space; our operating results and cash flows; new services and product features; our strategy of acquiring or making investments in complementary businesses, joint ventures, services, technologies and intellectual property rights; the performance and fair value of our investments in complementary businesses through our strategic investment portfolio; our ability to realize the benefits from strategic partnerships, joint ventures and investments; the impact of future gains or losses from our strategic investment portfolio, including gains or losses from overall market conditions that may affect the publicly traded companies within the company's strategic investment portfolio; our ability to execute our business plans; our ability to successfully integrate acquired businesses and technologies; our ability to continue to grow unearned revenue and remaining performance obligation; our ability to protect our intellectual property rights; our ability to develop our brands; our reliance on third-party hardware, software and platform providers; our dependency on the development and maintenance of the infrastructure of the Internet; the effect of evolving domestic and foreign government regulations, including those related to the provision of services on the Internet, those related to accessing the Internet, and those addressing data privacy, cross-border data transfers and import and export controls; the valuation of our deferred tax assets and the release of related valuation allowances; the potential availability of additional tax assets in the future; the impact of new accounting pronouncements and tax laws; uncertainties affecting our ability to estimate our tax rate; the impact of expensing stock options and other equity awards; the sufficiency of our capital resources; factors related to our outstanding debt, revolving credit facility, term loan and loan associated with 50 Fremont; compliance with our debt covenants and lease obligations; current and potential litigation involving us; and the impact of climate change.

Further information on these and other factors that could affect the company's financial results is included in the reports on Forms 10-K, 10-Q and 8-K and in other filings we make with the Securities and Exchange Commission from time to time. These documents are available on the SEC Filings section of the Investor Information section of the company's website at www.salesforce.com/investor.

Salesforce.com, inc. assumes no obligation and does not intend to update these forward-looking statements, except as required by law.
Company Overview
Delivering durable growth at scale

- Salesforce is the **#1 CRM software provider** based on total software revenue worldwide in 2018¹
- CRM is the **fastest growing segment in Enterprise Software** (projected CAGR of 12% 2018 – 2022)²
- **Consistently delivering durable revenue growth**, more than doubling from $5.4 billion in FY15 to $13.3 billion FY19
- Driving towards a **long-term revenue goal of $26 billion to $28 billion in FY23**
- Uniquely positioned to help our customers **drive broad-based digital transformation**

Financial Overview

Quarterly Results
Q1 FY20 Results Highlights

Durable top-line and operating cash flow growth

- **Revenue of $3.74 billion**, up 24% year-over-year, 26% in constant currency\(^1\)
- **Current Remaining Performance Obligation** of approximately **$11.8 Billion**, up 23% Year-Over-Year, 24% in Constant Currency\(^1\)
- **Remaining Performance Obligation** of approximately **$24.9 billion**, up 22% year-over-year
- **Operating Cash Flow** of **$1.97 Billion**, up 34% year-over-year
- **Guidance**\(^2\)
  - FY20 **Revenue** of $16.10 billion to $16.25 billion, 21% - 22% year-over-year growth, respectively
  - FY20 **GAAP EPS** of $0.78 to $0.80
  - FY20 **Non-GAAP EPS** of $2.88 to $2.90\(^3\)
  - FY20 **Operating Cash Flow** growth of 20% - 21%
  - Q2 FY20 **Revenue** of $3.94 billion - $3.95 billion
  - Q2 FY20 **Current Remaining Performance Obligation** growth of 20% - 21% year-over-year

---

1 Refer to slides 9 and 10 for an explanation of non-GAAP constant currency ("CC") growth rates for revenue and current remaining performance obligation, respectively.

2 Guidance provided June 4, 2019. This guidance does not reflect any potential future gains or losses on our strategic investment portfolio resulting from the future impact of ASU 2016-01 as it is not possible to forecast future gains and losses, and is based on estimated GAAP tax rates that reflect the company’s currently available information, and excludes forecasted discrete tax items such as excess tax benefits from stock-based compensation. The GAAP tax rates may fluctuate due to future acquisitions or other transactions.

3 Non-GAAP EPS is a non-GAAP financial measure. Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable.
### Q1 FY20 Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th>Non-GAAP¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quarterly Results</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$3,737M</td>
<td>$3,798M</td>
</tr>
<tr>
<td>Current Remaining Performance Obligation</td>
<td>$11.8B</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Remaining Performance Obligation</td>
<td>$24.9B</td>
<td>N/A</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>5.6% (73) bps</td>
<td>18.2%³ 122 bps</td>
</tr>
<tr>
<td>Diluted Earnings Per Share</td>
<td>$0.49⁴ 6.5%</td>
<td>$0.93⁴ 26%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$1,965M 34%</td>
<td>N/A N/A</td>
</tr>
</tbody>
</table>

¹The Non-GAAP columns present only non-GAAP financial metrics and the related non-GAAP growth rates as compared to prior periods. Non-GAAP revenue and non-GAAP current remaining performance obligation (CRPO) represent CC results. Refer to slides 9 and 10 for explanations of non-GAAP CC revenue growth and non-GAAP CC CRPO growth, respectively. Non-GAAP operating margin and non-GAAP EPS are non-GAAP financial measures. Refer to the Appendix for an explanation of non-GAAP financial measures and a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable.

²Remaining Performance Obligation is a new disclosure effective Q1 FY19. Refer to slide 10 for additional discussion.

³Non-GAAP Operating Margin is the proportion of non-GAAP income from operations as a percentage of GAAP revenue.

⁴Diluted EPS is calculated using GAAP revenue.
Total Quarterly Revenue and Operating Margin

Q1 FY20
Y/Y Growth

+24% / +26% CC\(^1\)

Revenue

(73 bps)

GAAP Operating Margin

122 bps

Non-GAAP Operating Margin\(^2\)

---

Note: FY18 information has been adjusted for the adoption of Topic 606. Refer to the appendix for additional information.

\(^1\)Refer to slide 9 for an explanation of non-GAAP revenue CC growth rate as compared to the comparable prior period.

\(^2\)Non-GAAP Operating Margin is the proportion of non-GAAP income from operations as a percentage of GAAP revenue and is a non-GAAP financial measure. Refer to the Appendix for an explanation of which items are excluded from our non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable.
Quarterly Subscription and Support Revenue by Cloud

Complete portfolio of CRM products

<table>
<thead>
<tr>
<th>Product</th>
<th>Q119</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Cloud</td>
<td>$1.0B</td>
<td>$1.1B</td>
</tr>
<tr>
<td>Service Cloud</td>
<td>$0.8B</td>
<td>$1.0B</td>
</tr>
<tr>
<td>Salesforce Platform &amp; Other(^1)</td>
<td>$0.6B</td>
<td>$0.8B</td>
</tr>
<tr>
<td>Marketing Cloud &amp; Commerce Cloud</td>
<td>$0.4B</td>
<td>$0.6B</td>
</tr>
</tbody>
</table>

\(^1\)Platform & Other Q1 FY20 includes $140M of revenue from MuleSoft.

Note: growth rates above are based on reported results in USD.
Incremental investments in international markets driving growth

Q1 FY20 Revenue by Region

AMERICAS

$2,617\text{M}$

+25% Y/Y

+25% Y/Y CC\textsuperscript{1}

EMEA

$755\text{M}$

+25% Y/Y

+32% Y/Y CC\textsuperscript{1}

APAC

$365\text{M}$

+22% Y/Y

+27% Y/Y CC\textsuperscript{1}

\textsuperscript{1}Non-GAAP revenue CC growth rates as compared to the comparable prior period. We present CC information for revenue to provide a framework for assessing how our underlying business performed excluding the effects of foreign currency rate fluctuations. To present CC 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.
Remaining Performance Obligation

Represents future revenue under contract

1 Topic 606 introduced remaining transaction price, which is different than unbilled deferred revenue under previous accounting guidance. Transaction price allocated to the remaining performance obligation is influenced by several factors, including seasonality, the timing of renewals, average contract terms and foreign currency exchange rates. Unbilled portions of the remaining transaction price denominated in foreign currencies are revalued each period based on the period end exchange rates. As with unbilled deferred revenue under previous accounting guidance, the portion of the remaining transaction price that is unbilled is not recorded on the balance sheet.

*To present CC CRPO growth, CRPO balances in local currencies in previous comparable periods are converted using the United States dollar currency exchange rate as of the most recent balance sheet date.*
Quarterly Operating Cash Flow
Delivered nearly $2 billion in operating cash flow in Q1

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q118</th>
<th>Q218</th>
<th>Q318</th>
<th>Q418</th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q419</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCF</td>
<td>$1,230</td>
<td>$1,466</td>
<td></td>
<td></td>
<td>$1,466</td>
<td></td>
<td></td>
<td>$1,965</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$1,466
$1,965
Q1 FY20
Y/Y Growth

+34%  +34%

FCF¹  OCF

Note: FY18 information has been adjusted for the adoption of Topic 606. The net cash provided by operating activities during Q1 – Q4 FY18 did not change. Refer to the Appendix for additional information.

¹Free cash flow is a non-GAAP financial measure. Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a table including the components of Free cash flow.

Our fourth quarter has historically been our strongest quarter for new business and renewals and we generally invoice our customers annually.

As a result, our first quarter and, increasingly, our fourth quarter are our largest collections and operating cash flow quarters. Our second quarter and third quarter are seasonally smaller in regards to collections and operating cash flow.
Cash, Cash Equivalents, and Marketable Securities
Rebuilding cash balances after MuleSoft acquisition

MuleSoft Acquisition
In Q1 FY19, the increase in cash was primarily due to $2.5 billion in debt raised in April 2018 (Q1 FY19) in contemplation of the acquisition of MuleSoft which closed in May 2018 (Q2 FY19). Total cash paid in connection with the acquisition in May 2018 was $4.9 billion.
Business Overview
The Digital Transformation Imperative
DX initiatives are a top priority for CIOs


- By 2022
  - >60% of global GDP will be digitized, with growth in every industry driven by digitally enhanced offerings, operations, and relationships

- 2018 - 2023
  - 500M new logical apps will be created, equal to the number built over the past 40 years

2Designation made by Salesforce.
The Only Complete Cloud CRM Platform

Uniquely positioned to help our customers drive digital transformation
Salesforce #1 in CRM

Worldwide CRM applications 2018 revenue market share by IDC

Empowering Companies to Connect With their Customers Since 1999
Product Advantage
Unmatched depth of functionality
Large and Growing Addressable Markets

More products, more opportunities

Total Addressable Market
CY18 to CY22 $, Growth CAGR %

- **Sales**: $19B, 12%¹
- **Service**: $29B, 13%¹
- **Marketing**: $20B, 13%¹
- **Commerce**: $11B, 13%¹
- **Platform & Other**: $31B, 6%²
- **Analytics**: $20B, 5%¹
- **Integration**: $12B, 9%³

**Total TAM**: $142B

## Our Core Markets

Increasing share across CRM and Platform

<table>
<thead>
<tr>
<th>Market Share CY18</th>
<th>32%(^1)</th>
<th>21%(^1)</th>
<th>12%(^1)</th>
<th>7%(^1)</th>
<th>12%(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Rank CY18</td>
<td>#1(^1)</td>
<td>#1(^1)</td>
<td>#2(^1)</td>
<td>#3(^1)</td>
<td>N/A</td>
</tr>
<tr>
<td>Market Growth CY18 - CY22 CAGR</td>
<td>12%(^2)</td>
<td>13%(^2)</td>
<td>13%(^2)</td>
<td>13%(^2)</td>
<td>6%(^3)</td>
</tr>
<tr>
<td>Revenue Growth Fiscal Q120 Y/Y</td>
<td>11%(^4)</td>
<td>20%(^4)</td>
<td>33%(^4)</td>
<td>22%(^4)</td>
<td></td>
</tr>
</tbody>
</table>

Salesforce is a Values Driven Company
A culture of engaging all stakeholders

CORE VALUES

Trust
Deliver the most trusted infrastructure and communicate openly.

Customer Success
Focus on customer success to drive mutual growth.

Innovation
Empower Trailblazers with technology to succeed in the Fourth Industrial Revolution.

Equality
Respect and value a diversity of people.
Putting Our Values into Action
Doing well by doing good

#1 BEST WORKPLACES FOR GIVING BACK
- FORTUNE MAGAZINE

BEST WORKPLACES FOR WOMEN
- FAIRYGODBOSS

BEST PLACES TO WORK FOR LGBTQ EQUALITY
- HUMAN RIGHTS CAMPAIGN

“CHANGE THE WORLD” LIST
- FORTUNE MAGAZINE

WORLD’S MOST ETHICAL COMPANIES HONOREE
ETHISphere 2019

#2 ON THE MOST SUSTAINABLE COMPANIES LIST
- BARRON’S 2018

1-1-1 Model

1% Time

1% Equity

1% Product

4M+ Volunteer Hours

$288M+ Grants

42K+ Nonprofits & Education

1 Hours and Grants are cumulative through Q1 FY20. Grants are made from Salesforce Foundation.
Continued Environmental Leadership
Committed to creating a sustainable future for all

**Net-Zero Emissions & Carbon Neutral Cloud**
Delivering an eco-friendly customer success platform

**Global Green Real Estate Strategy**
Aligning with LEED and WGBC's Net Zero Carbon Buildings Commitment

**Step Up Declaration Leader**
Collaborating with leading global 4IR companies

**Partner with Suppliers to Reduce Emissions**
Setting own emissions reduction targets by 2025

Targeting 100% Renewable Energy by FY22
Values Attract Top Talent
Unmatched scale focused on CRM

Headcount Growth
Y/Y Q1 FY20
24%
Partnerships Enhance Value Proposition
Extending our platform and bringing joint benefits to customers
The **Trailblazer** Advantage

Customers and our ecosystem as evangelists
Autodesk is a Trailblazer

Autodesk depends on Trailhead to deliver sales onboarding and enablement.

“Trailhead helps us reach more people, faster, and gives us a deeper understanding of Salesforce capabilities.”

Damian O’Farrill, Product Manager AI, Sales Automation and Analytics, Autodesk.

**Challenge**

- Distributed workforce made group training difficult to deliver.
- Adoption was slow as many team members were new to Salesforce.
- The global team needed to migrate to Lightning in less than 60 days.
- The Automation and Analytics team was bogged down with requests for reports.
- Keeping users up-to-date on Salesforce enhancements was time consuming.

**Solution**

- Trailhead made learning flexible and on-demand for employees to consume on their own time.
- “Salesforce User Basics” Trailhead content ramped users quickly.
- Custom Lightning learning journeys were created with trailmixes.
- Trailhead reporting content taught users how to create their own custom reports.
- Trailhead’s seasonal release content helps users understand the latest functionality.

**Achievements**

- 1K badges earned
- 500+ hours of learning
Ecosystem Advantage
Extends our reach and value

Consulting Partners

Independent Software Vendors

accenture  APPIRIO  Wipro  Infosys
TATA  IBM  Bluewolf  Cognizant
Deloitte  Capgemini  PwC  WPP  Publicis

ncino  APTTUS  IQVIA
DocuSign  conga  MailChimp
Veeva  Vlocity  FinancialForce

~5,000  6.5M+
AppExchange Solutions¹  AppExchange Installs¹

¹AppExchange Solutions and Installs as of 4/31/2019.
Appendix
Notes on our Financial Results

Topic 606 Accounting Standards

• Salesforce retrospectively adopted new accounting standard Topic 606 on February 1, 2018 (Q1 FY19)
• Topic 606 includes changes to accounting policies for revenue recognition and costs capitalized to acquire revenue contracts (primarily commissions)
• All financial results and guidance in this presentation reflect Topic 606. Historical results for FY17, FY18 and Q1-Q4 of FY18 are adjusted to reflect the adoption of new standard
• Refer to the Q1 FY19 press release for additional information, including adjusted historical Statements of Operations and Balance Sheets
• Adjusted information is based on best available information and reflects management’s best estimate of the potential impact as a result of the adoption of the new standard
• Reconciliations to prior standards will not be provided

MuleSoft Acquisition

• The MuleSoft acquisition closed on May 2, 2018 (Q2 FY19)
Non-GAAP Financial Measures

This presentation includes information about non-GAAP diluted earnings per share, non-GAAP income from operations, non-GAAP operating margin, free cash flow, and constant currency revenue 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 consolidated financial statements prepared in accordance with GAAP. Management uses both GAAP and non-GAAP measures when planning, monitoring, and evaluating the company’s performance.

The primary purpose of using non-GAAP 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 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 diluted earnings per share excludes, to the extent applicable, the impact of the following items: stock-based compensation, amortization of purchased intangibles, gains on strategic investments, and previously the net amortization of debt discount on the company’s convertible senior notes, as well as 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.

Non-GAAP income from operations excludes the impact of the following items: stock-based compensation, and amortization of acquisition-related intangibles.

Constant currency information is provided as a framework for assessing how our underlying business performed excluding the effect of foreign currency rate fluctuations. 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.
# GAAP to Non-GAAP Financial Reconciliation

## Components of Free Cash Flow, a Non-GAAP Measure

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2017*</td>
</tr>
<tr>
<td>GAAP net cash provided by operating activities</td>
<td>$1,230</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>157</td>
</tr>
</tbody>
</table>

## Non-GAAP Diluted Earnings Per Share

<table>
<thead>
<tr>
<th></th>
<th>2018*</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP diluted net income per share</td>
<td>$0.46</td>
<td>$0.49</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of purchased intangibles</td>
<td>0.09</td>
<td>0.16</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>0.33</td>
<td>0.43</td>
</tr>
<tr>
<td>Amortization of debt discount, net</td>
<td>0.01</td>
<td>0.00</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax effects and adjustments</td>
<td>(0.15)</td>
<td>(0.15)</td>
</tr>
<tr>
<td>Non-GAAP diluted earnings per share</td>
<td>$0.74</td>
<td>$0.93</td>
</tr>
<tr>
<td>Shares used in computing Non-GAAP diluted net income per share</td>
<td>754</td>
<td>793</td>
</tr>
</tbody>
</table>

---

*Prior period information has been adjusted for the adoption of Topic 606.*

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Non-GAAP income from operations</th>
<th>Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GAAP income from operations</td>
<td>April 30, 2017*</td>
</tr>
<tr>
<td></td>
<td>Plus:</td>
<td></td>
</tr>
<tr>
<td>Amortization of purchased intangibles</td>
<td>75</td>
<td>69</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>252</td>
<td>252</td>
</tr>
<tr>
<td>Non-GAAP income from operations</td>
<td>$331</td>
<td>$512</td>
</tr>
</tbody>
</table>

---

*33*