

SIKULI CAPITAL

Conviction through contrarian research

Salesforce (CRM)

Valuation Snapshot — Fair Value Range

As of May 20, 2026 | Enterprise CRM + Data Cloud + Agentforce platform

CURRENT PRICE	PROBABILITY-WEIGHTED FAIR VALUE	FAIR VALUE RANGE
\$179.42	~\$215	\$145 - \$290
Close 5/19/26	Bull 25% / Base 50% / Bear 25%	~20% upside to weighted FV

Verdict: CRM offers asymmetric setup: trading at 13.1x forward P/E^[1] with FY27 guidance of \$45.8-46.2B (+10-11%)^[2] and Agentforce ARR scaling rapidly to \$800M (+169% YoY)^[3]. The market is paying a deep multiple discount for an AI execution story that may be inflecting. Headwinds: \$17.2B of debt, sub-1.0 current ratio, and a 'show me' AI thesis. Our blended FV of ~\$215 implies ~20% upside; bull case (\$290) assumes Agentforce becomes a true growth lever, bear case (\$145) reflects a stall scenario with multiple compression to 11x. Consensus PT is ~\$278.

CURRENT SNAPSHOT

Metric	Value	Notes / Source
Stock price	\$179.42	5/19/26 ^[4]
Market cap	\$165.6B	^[1]
Diluted shares	~818M	^[5]
Total debt	\$17.2B	Net debt position; D/E 0.30 ^[5]
FY26 revenue	\$41.5B (+10%)	Record full year ^[3]
Q4 FY26 revenue	\$11.2B (+12%)	Record quarter ^[3]
Agentforce ARR	~\$800M	+169% YoY; 29,000 deals ^[2]
FY27 revenue guide	\$45.8B - \$46.2B	+10-11% growth ^[2]
FY27 op margin guide	34.3% non-GAAP	^[2]
Forward P/E	13.1x	Trailing 22.2x ^[1]
EV/EBITDA	12.4x	EBITDA \$12.55B ^[1]
Buyback	+\$50B authorization	Board-approved Feb 2026 ^[3]
Consensus PT	\$278	35 analysts; Buy consensus ^[1]

MACRO CONTEXT — RATES & MARKET LEVELS

The 10-yr UST yields 4.68%^[6] and the S&P 500 trades at ~21x forward (earnings yield 4.78%)^[7]. **Implication for CRM:** Like Adobe, Salesforce has been de-rated on AI-disruption concerns despite continuing to grow. Forward P/E of 13.1x is the lowest in mega-cap SaaS. Agentforce monetization is the singular swing factor: if it scales, the multiple expands; if it stalls, CRM behaves like a mature low-multiple compounder.

METHODOLOGY

Three lenses: **(1) P/E on FY27E non-GAAP EPS** (~\$11.85, derived from \$46B revenue × 34.3% op margin × 0.78 tax adj / 818M shares), **(2) EV/EBITDA on FY27E** (~\$15.8B EBITDA at 34% margin), **(3) EV/Revenue on FY27E** (\$46B). Weights: Bull 25% / Base 50% / Bear 25%. Net debt \$13B; shares 818M (buybacks should reduce count).

BULL / BASE / BEAR SCENARIOS

Scenario (weight)	P/E on FY27E EPS	EV/EBITDA on FY27E	EV/Revenue on FY27E	Blended FV
Bull (25%) <i>Agentforce ARR scales to \$3B+, growth re-accelerates to 13%+, multiple re-rates to 22x</i>	22x → \$261	20x → \$370	8x → \$434	~\$355
Base (50%) <i>Hit guide, +10-11% growth, Agentforce builds slowly, 15x multiple</i>	15x → \$178	14x → \$254	5.5x → \$293	~\$240
Bear (25%) <i>Agentforce monetization disappoints, growth slows to 7-8%, multiple stays at 11x</i>	11x → \$130	10x → \$176	4x → \$208	~\$170
Probability-weighted	~\$193	~\$263	~\$307	~\$215

Blended fair value (~\$215) = simple average of the three method-level probability-weighted outputs (\$193 / \$263 / \$307). The wide range reflects the binary nature of the Agentforce thesis. Wall Street consensus PT \$278 sits between our base and bull cases.

PEER COMPARISON

Company	Fwd P/E	Rev Growth	Notes
Salesforce (CRM)	~13x	+10-11%	Agentforce monetization swing factor ^[1]
Microsoft (MSFT)	~30x	+13%	Premier AI premium; Copilot lead

Company	Fwd P/E	Rev Growth	Notes
Adobe (ADBE)	~11x	+12%	Similar discount, AI-disruption fear
ServiceNow (NOW)	~46x	+19%	Premium SaaS; AI Now Assist traction
Oracle (ORCL)	~22x	+9%	OCI growth; legacy revenue base
SAP	~25x	+10%	Multi-year cloud migration unlocking

CRM trades at a meaningful discount to every cloud-software peer except Adobe — most names trade at 22-46x forward P/E for 9-19% growth, while CRM gets 13x for 11% growth. Multi-cloud bundled product, Agentforce momentum, and a \$50B buyback should support a higher multiple if execution holds.

Key Risks & Watch Points

- **Agentforce monetization:** \$800M ARR is small relative to overall company; conversion economics still proving.
- **Macro IT spending:** Salesforce growth correlated to enterprise software budgets, which have softened.
- **Competition from Microsoft Dynamics + Copilot:** Bundled AI strategy threatens point-solution providers.
- **M&A overhang:** Activist criticism of past deals (Slack, Tableau); discipline tested.
- **Leverage:** \$17.2B debt at higher rates; debt service costs rising.
- **Founder/CEO transition risk:** Benioff influence; succession plan opaque.

What Would Change Our View

- **Upside:** Q1 FY27 beat-and-raise May 27, Agentforce ARR disclosure showing \$1.5B+ run-rate, sustained 12%+ growth, multiple re-rating to 18-20x.
- **Downside:** Revenue growth slowing below 9%, Agentforce ARR stalling, large customer attrition, \$20B+ acquisition that destroys capital discipline.

Sources

[1] <https://stockanalysis.com/stocks/crm/statistics/>

[2] <https://futuraingroup.com/insights/salesforce-q4-fy-2026-earnings-show-agentic-ai-scaling-guidance-steadies/>

[3] <https://investor.salesforce.com/news/news-details/2026/Salesforce-Delivers-Record-Fourth-Quarter-Fiscal-2026-Results/default.aspx>

[4] <https://finance.yahoo.com/quote/CRM/>

[5] <https://stockanalysis.com/stocks/crm/financials/balance-sheet/>

[6] <https://fred.stlouisfed.org/series/DGS10>

[7] <https://insight.factset.com/sp-500-earnings-season-update-may-8-2026>

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