Earnings News | On the Move

Salesforce.com Non-GAAP EPS of $2.12 beats by $0.24, revenue of $8.6B beats by $70M

Aug. 30, 2023 4:06 PM ET | **Salesforce, Inc. (CRM)** | By: Pranav Ghumatkar, SA News Editor | 22 Comments

Salesforce.com press release (NYSE:CRM): Q2 Non-GAAP EPS of $2.12 beats by $0.24.

Revenue of $8.6B (+11.4% Y/Y) beats by $70M.

Second Quarter GAAP Operating Margin of 17.2% and Non-GAAP Operating Margin of 31.6%

Current Remaining Performance Obligation of $24.1 Billion, up 12% Y/Y, 11% CC.

Returned $1.9 Billion to Stockholders in the Second Quarter in the Form of Share Repurchases

Initiates Third Quarter FY24 Revenue Guidance of $8.70 Billion to $8.72 Billion vs. consensus of $8.66B, up ~11% Y/Y

Raises Full Year FY24 Revenue Guidance to $34.7 Billion to $34.8 Billion vs. consensus of $34.65B, up ~11% Y/Y

Raises Full Year FY24 GAAP Operating Margin Guidance to ~13.3% and Non-GAAP Operating Margin Guidance to ~30.0%

Raises Full Year FY24 Operating Cash Flow Growth Guidance to 22% to 23% Y/Y.

Shares +5.75%.

More on Salesforce.com

Salesforce: Undervalued Based On Adjusted Earnings

Salesforce Q2 Earnings Preview: Revenue Growth Uncertain, Margin Narrative Remains Intact

Stocks To Watch: Eyes On Treasury Yields, China EV Names, And Lululemon

My Favorite AI Is A Salesforce Guy Whose Name Is Einstein GPT

4 stocks to watch on Wednesday: Salesforce, Texas Instruments and more

Demand for cloud, AI in focus for Salesforce Q2 results

Salesforce slips as JP Morgan removes from Focus List

Salesforce still seeing 'sluggish' demand, Jefferies says

Seeking Alpha’s Quant Rating on Salesforce.com

Earnings data for Salesforce.com

Dividend for Salesforce.com

Comments (22)

Sort by Newest

J **JuSG** Yesterday, 11:57 PM
Comments (159) | + Follow

Nice sales and marketing trick, that won't work next time. Raising the price and pull forward demand is NOT a good sign. Will sell the rip on that one.

Reply Like

C **cyrusace** Yesterday, 7:46 PM
Premium Comments (72) | + Follow

CRM will always produce positive results in every metric EXCEPT for GAAP earnings.

GAAP earning are always an issue for CRM because GAAP earnings require that when you pay employees in stock you have to show that as an expense. 🤷

Reply Like (3)

F **fatmat** Yesterday, 4:51 PM
Premium Comments (324) | + Follow

This is a transformational quarter where are the bolt ons and projects are all creating cross sell, margin expansion deals - the AI infusion will allow this to make even more mime and that will most likely be super high margin biz due to its implementation ease through their cross channels - lots of cross selling plus big boy spending shaking back 1/2 of Fiscal - we probably take out old high here no worries

Reply Like

Matthew Brown Yesterday, 4:48 PM
Comments (2.86K) | + Follow

nice!

Reply Like

DONTIGNY Yesterday, 4:33 PM
Comments (981) | + Follow

Every single 1% incremental revenue is driving great incremental margin dollar.

interesting report today about how Benioff is active YTD with venture investments

Reply Like

Stock Scanner Yesterday, 4:28 PM

Analyst Premium Comments (1.39K) | + Follow

Nice margin expansion, but let's not forget it's partly the result of $1.5 billion dumped into restructuring charges in the last few quarters.

Reply Like (1)

Tall Seller Yesterday, 4:27 PM

Comments (20.23K) | + Follow

Love when good news for companies is good news for them and for their sector.
🚀

Reply Like

M **mwilson801** Yesterday, 4:24 PM

Comments (1.54K) | + Follow

10% GAAP profit margin? Well, this seems to be moving in the right direction.
Nonetheless, if you grow their FY23 31.4b revenue 10% per year over a decade, apply a 10% profit margin and disribute none of it (the share count barely dropped despite them claiming they "returned billions to shareholders"), applying a terminal multiple of 20 and discounting at 10% you still get $65...
If GAAP margin expands to 20%, still without effective buybacks, then we are at $130.
If revenue growth reaccelerates to 15% over a decade, then we are at $200.
And if they can distribute 50% of profits as actual buybacks that reduce the share count, then you can start to justify those $230... *(edited)*

Reply Like (2)

Philipp Stuelcken Yesterday, 4:59 PM

Analyst Premium Comments (231) | + Follow

@mwilson801 Why would you calculate with a 10% profit margin when even their current guidance for 2023 is at 13,3%? It should reach 20% in the mid-term and tend to 25-30% at the end of the decade.

Reply Like

M **mwilson801** Yesterday, 5:12 PM

Comments (1.54K) | + Follow

@Philipp Stuelcken 13.3% is the operating margin.
GAAP EPS guidance is 3.51, which assumes 988 diluted shares: that is a net income of 3.5b, which is 10% of their 34.75b revenue guidance.
Their margin history as been very unstable, so I have no clue about what the future will look like.
The only thing that seems clear to me is that perfection is baked into the price. and hence I should stay away.

Reply Like (2)

DONTIGNY Yesterday, 5:44 PM
Comments (981) | + Follow

@mwilson801 are you mike wilson from MS :p

Reply Like

El Financeiro Yesterday, 4:21 PM
Comments (3.7K) | + Follow

Good numbers.

Reply Like (1)

S
SS1000 Yesterday, 4:17 PM
Premium Comments (993) | + Follow

Very good.

Reply Like

W
1winner Yesterday, 4:17 PM
Premium Comments (5.58K) | + Follow

insane valuation for slowing growth rate

Reply Like

Samsara Growth Yesterday, 4:22 PM
Premium Comments (3.07K) | + Follow

@1winner If you hadn't posted a comment, we would have missed it...actually no

Reply Like (1)

Samsara Growth Yesterday, 4:24 PM
Premium Comments (3.07K) | + Follow

@1winner What is your PT for CRM?: 100 $ I suppose, the same than for NVDA :)

Reply Like (1)

M
Mooreorlesstim Yesterday, 4:28 PM
Premium Investing Group Comments (519) | + Follow

@Samsara Growth So true.

Reply Like

S **SS1000** Yesterday, 10:40 PM

Premium Comments (993) | + Follow

@1winner I don't think that word means what you think it means.

Reply Like

D **Daveyjoneslocker** Yesterday, 4:16 PM

Premium Comments (2) | + Follow

nooice beat and raise

Reply Like (1)

Samsara Growth Yesterday, 4:14 PM

Premium Comments (3.07K) | + Follow

Long 100 CRM

Reply Like

B **bono2005** Yesterday, 4:09 PM

Comments (139) | + Follow

can't wait to see Mr. Benioff's twitter on yoy revenue!

Reply Like

vend2804 Yesterday, 6:40 PM

Comments (255) | + Follow

@bono2005 he already posted.
2024 $34.8B (guidance)
2023 $31.4B
2022 $26.5B
2021 $21.3B
2020 $17.1B
2019 $13.3B
2018 $10.5B
2017 $8.4B
2016 $6.7B
2015 $5.4B

Reply Like (1)