

stock for each WORK share held. Over the past few months, management has been in integration mode, which ought to bear long-term fruit, though earnings may come under some pressure in the near to inter-

mediate terms.

We are upping our fiscal 2021 and 2022 revenue estimates following strong second-quarter results and leadership's upbeat outlook (year ends January 31, 2022). salesforce.com posted July-period revenues of \$6.34 billion, or a 23% year-over-year advance, thanks to rising demand for its cloud product suite and a solid performance in its subscription and support segment. Previous acquisitions (MuleSoft, Tableau, and soon Slack) played a role, too. All in all, we now think revenues of \$28.0 billion (up from our previous estimate of \$26.0 billion) are in the cards this fiscal year. For fiscal 2022, the top line is projected to expand 18%, to \$33.0 billion, putting the

stock has surged roughly 15% in value, establishing a fresh all-time high along the way. We think the equity still has some room to run over the coming six to 12 months, as salesforce.com stock garners our Highest rank for Timeliness (1). Thus, subscribers with a short-term horizon may want to have a look here.

Conversely, we are not presently recommending the stock for patient **accounts.** From a business perspective, the company ought to continue to be an industry bellwether, especially once Slack is fully integrated and collaborative synergies are unlocked across CRM's cloud suite. That said, price appreciation potential three to five years hence leaves much to be desired subsequent to the recent runup in price. Therefore, investors with a long-term horizon should hold off on making a capital commitment at this juncture

2021 (A) Fiscal year ends January 31st of the following calendar vear.

33.5%

3281

3997

5151

6340

8225

Apr. 30 Jul. 31 Oct. 31

.39

.11

2.85

.56

1.25

QUARTERLY REVENUES A (\$ mill.)

Apr. 30 Jul. 31 Oct. 31 Jan. 31

EARNINGS PER SHARE AB

**QUARTERLY DIVIDENDS PAID** 

Mar.31 Jun.30 Sep.30 Dec.31

NO CASH DIVIDENDS

**BEING PAID** 

3392

4513

5420

7750

8300

d.12

1.15

1.45

1.55

41.0%

3603

4851

5817

7947

8375

Jan. 31

46

d.28

.28

.99

1.10

10.0%

Full Fisca Year

13282

17098

21252

28000

33000

Full Fisca Year

1.44

4.38

3.50

5.05

Full

.15

**Book Value** 

3006

3737

4865

5963

8100

46

.49

.11

.50

1.15

Fiscal

Begins

2018

2019

2020

2021

2022

Fiscal Year

Begins

2018

2019

2020

2021

2022

Cal-

2017

2018

2019

2020

(C) Includes intangibles: In 2020, \$30.432 bill., total due to rounding. Excludes nonrecurring \$33.11 per share.

gains: '05, \$0.01. Next earnings report due late (D) In millions, adjusted for split. (E) Three- to five-year Target Price Range based on 8.0x Revenues Per Share.

Nicholas P. Patrikis

Company's Financial Strength Stock's Price Stability B++ 70 Price Growth Persistence 95 **Earnings Predictability** 25

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